Fight Onward Till Asia
Is Asia's Own

Nippon Times
Evening

Build Greater East Asia We
Will, With Fiery Spirit
And Iron Will

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In News Spotlight

Darlan's Assassin Held Belief Till Last, He Would Not Die

Special to the Nippon Times

STOCKHOLM, January 19.—Bonnier de la Chapelle, assassin of Admiral Jean Francois Darlan, died believing he would be saved, refusing to believe up to the very last moment that he would really be executed, the Aftonbladet reported today.

For some reason, the report stated, de la Chapelle, even while being taken to the place of execution, still believed that blank shots would be fired at him.

It was added that during the cross-examination preceding the execution, the assassin stubbornly refused to answer any questions. Stolidly bearing up under the questioning, showing no trace of emotion, de la Chapelle was stirred only once into betraying his feelings. That was when the examiners told him that Darlan had only been wounded. At this, the assassin exclaimed: "I have failed!"

But later, at the court-martial, de la Chapelle showed no signs of nervousness, remained stoically calm. The death sentence was pronounced, but the assassin was convinced it would not be carried out.

The execution, it was disclosed, was carried out in the early hours of Christmas day. There were only a handful of witnesses. De la Chapelle met his death in the firm belief he would not die.

Press Comments

Friday, January 22

ASAHI—Economic Agreements
TOKYO SHIMBUN—Vulnerable Dollar Diplomacy

Economic Agreements

ASAHI—In order to bring the World War to a successful consummation and to contribute to the new order, Germany, Italy and Japan on January 20 signed economic agreements binding the three countries.

The three countries had already been joined together in exceedingly close relationship in the fields of politics, arms and culture. Especially by the military agreement to fight the war to the end concluded in January last year they had become inseparable. The Tripartite alliance of September, 1940 to be effective for 10 years thereafter provides that Germany and Italy accept and respect the leadership of Japan in the construction of a Greater East Asia Co-Prosperity Sphere, while Japan accepts and respects the leadership of Germany and Italy in the construction of a new order in Europe and that the three countries should cooperate for the success of these endeavors.

The economic agreements may be considered to have been concluded to place the Axis camp in a more advantageous position than ever as regards the war which is now in full swing. That an economic agreement should have followed a military agreement one year after the conclusion of the former shows the importance of the economic factor for decisive victory and also proves that the contemporary world cannot tolerate such a leisurely procedure as launching on economic construction in accordance with the peace terms after the bugle call for cessation of hostilities has been sounded.

The economic agreements provide for technical cooperation, arrangements regarding trade and settlement of accounts and cooperation on every economic or monetary point conceivable. It is to stand 10 years, similarly as the alliance treaty. It is said that the details for the enforcement of the agreement are still being negotiated but Germany has already established an East Asia Bank capitalized at 10,000,000 marks to begin settlement of accounts between the yen and mark with the Yokohama Specie Bank. Thus, the aims of the agreements should be considered to be to maintain the three nations in an undefeatable position, to aid joint efforts for the overthrow of the United States and Britain, to save the world from the plutocratic conquest of these aggressors and to bring about a new world order with the Axis at the pivotal center.

The occasion is most auspicious, for also at Vichy, an agreement has been concluded for settlement of accounts between French Indo-China and Japan by way of consolidating the economic agreement of May, 1941, the joint defense agreement of July the same year and the military agreement of December. The signing of this new pact with French Indo-China took place on January 20, the very day on which the Axis economic agreements were signed. By that pact not only French Indo-China and Japan, but French Indo-China and all the countries of the Greater East Asia Co-Prosperity Sphere are to settle in yen.

There can be no question that the tripartite entente will grow stronger with time and the world position of each member will steadily rise. In parallel with the leadership of Germany and Italy in Europe, our position of leadership in Greater East Asia is certain to be recognized the world over with the progress of war.

Vulnerable Dollar Diplomacy

TOKYO SHIMBUN—As had been anticipated, Chile has severed relations with Germany, Italy and Japan, leaving only Argentina among the ABC Powers of South America to hold the torch of independence, neutrality and peace.

Such an outcome was to have been foreseen with the United States intent on turning Latin America into its protectorate if not territory ever since the threatening speech of Undersecretary of State Sumner Welles and Chile, shut out of the European market, compelled to bow before the unbearable pressure of the dollar. Chile's action, however, was far removed from any self-sacrificing cooperation with the United States in order that the latter may win, it must be remembered. This is easily to be understood if the trend of so-called Pan-Americanism since the outbreak of the European War is traced. Outwardly, to be sure, Central and South America may be fast turning into strategic and commissary bases of the United States but in fact they are liable to turn any moment into an uncanny menace from the rear especially if the United States continues to suffer defeat after defeat.

Ever since 1939 the Latin American policy of the United States has been dictated by its desire to place these countries under its economic system as its export market and source of raw materials and by its feverish anxiety to sweep out Italo-German economic influence sown there prior to the war. The first phase of Pan-Americanism overtly based on cooperation and good neighborhood but covertly backed by the dollar pressure and armed threat ended in more or less success through camouflaged diplomacy, because the Central and South American countries were anxious to avert the danger of their being dragged into the war

(Continued on Page 2)

Enemy Fails to Make Progress Repairing Blasted Bases in China

Domei

CANTON, January 21.—Reports by foreign correspondents reaching here today revealed that despite joint efforts by Chungking authorities and American forces in China, repairs of the Chungking military establishments in Chekiang-Kiangsi area damaged by the Imperial Air Force are making slow progress.

With unbelievable intensity the Imperial Air Forces conducted raids last summer against Chungking air bases, from which were to be conducted raids by American warplanes against Japan. All military facilities in the area were wiped out, the reports stated, and at Shangjao in Kiangsi Province alone, 1,300 different military establishments were blasted.

The reports added that a special committee was organized in Chungking, combining the United States Military Commission in China and various relief bodies for an early restoration of the war establishments damaged by Japanese Air Units.

A fund of several million yuan was raised through combined efforts, and the repair work was started by pressing into service war-stricken natives attracted by rice distribution stations specially established at 10 old important military bases.

Working day and night since last summer, the best the Sino-American forces could accomplish was to complete repairs of facilities at Shangjao, and at Yushan in the north-east section of Kiangsi Province, while the Chuchow Airfields along the Hangchow Railroad is still left in a devasted condition.

Smashed to Doom on Eastern Front

These charred remnants of Soviet warplanes bear mute witness to the fury and devastating results of the mighty struggle that is being daily staged on the war fronts of East Europe between the mighty victorious cohorts of the Reich and the grim, stubborn armies of the Soviet Union.

Chile Must Assume All Responsibility For Severing Axis Ties, Hori Warns

The Chilean Minister at Tokyo, Armando Labra Carvajal, called at the Foreign Office at 10:15 a.m. today and handed to Foreign Vice-Minister Shunichi Matsumoto a notice to the effect that the Chilean Government has suspended diplomatic and consular relations with Japan, Germany and Italy as of January 20th.

All responsibilities for situations developing from Chile's action in severing her ties with the Axis nations must be borne solely by the Santiago government, declared Spokesman Tomokazu Hori in his statement issued to foreign correspondents attending the press conference at the Board of Information this morning. His statement follows in full:

"Despite the fact that President Rios of Chile has publicly espoused an independent diplomatic policy and repeatedly declared that his country would not submit to external pressure, the Government of Chile has finally succumbed to the strong pressure of the United States and has ruptured diplomatic relations with Japan, Germany and Italy.

"In rupturing her diplomatic relations with the Axis by abandoning her autonomous stand, Chile has emulated the fashion set by Peru. From numerous precedents it is clear, however, that the step taken by Chile at this juncture, will not assure her such aid from the United States as she might expect. Moreover, by so doing not only will her very sovereignty be seriously impaired by her submission to the United States, but also her present step will result in the loss of the considerate attitude hitherto shown her by Japan, Germany and Italy for the safety of Chilean shipping and in the abandonment on her own accord of her controlling position in the waters of the Pacific Coast of South America. That this step would obviously be a great folly, throwing Chile as it does into a position of unprecedented difficulty, is clear to everyone.

"It is not difficult to foresee that through this action Chile has taken after the fashion of such countries as Peru and Ecuador and that she will witness sooner or later the stationing of the crude and arrogant American troops in her own territory. If such a situation should come to pass it would mean nothing other than Chile's direct military aid to the American troops—a development which the Japanese Government cannot but regard with the most serious concern. We hereby make it clear that all responsibilities for situations developing from the present rupture must be borne solely by the Government of Chile."

JAPAN-F.I.C. AGREEMENT WELCOMED IN SAIGON

Financial Circles Stress Importance of New Pact

Domei

SAIGON, January 21.—That the necessary basis for the unification of trade in the Greater East Asia Co-Prosperity Sphere has been laid by the signing of the new Japan-French Indo-China Trade Agreement is the consensus in financial circles here.

While a revision of the pre-war method of settling international accounts to suit altered economic conditions constituted nothing unusual in itself, by making the yen the basis of the settlements, the new agreement, they said, will cause French Indo-China to become a component part economically of the Co-Prosperity Sphere. The new agreement will contribute much towards consolidating and also unifying the basis of trade within the Co-Prosperity Sphere including China, Manchoukuo, and the Japan-occupied Southern Regions, they predicted.

The yen basis of the trade settlement will further facilitate Nippon's investments in French Indo-China, and together with the future positive cooperation by French Indo-China authorities, will serve as a strong impetus to the development of natural resources in the region, they said.

New War Bonds Issued

The Government issued new Greater East Asia War bonds on Thursday totalling ¥600,000,000 which were underwritten by the Deposits Bureau of the Ministry of Finance and the Bank of Japan. The new war bonds, which bear an interest rate of 3.5 per cent annum, are redeemable within 17 years, reports Domei.

Castillo Stresses Neutrality Stand

By Arrangement with the Asahi
(Special to the Nippon Times)

BUENOS AIRES, January 21.—"Chile's severance of diplomatic relations with Japan, Germany and Italy will not affect the attitude of Argentina toward the Axis Powers," declared President Ramon S. del Castillo of Argentina in a press conference today. "The attitude of Argentina is already known, and will never be changed," he added.

TURKEY TO STAY NEUTRAL, SOFIA PAPER DECLARES

State Will Defend Policy Even by Armed Force

Domei

SOFIA, January 21.—To all appearances, the Turkish Government will adhere to its strict neutrality policy, the Slovo, an influential evening paper here, stated yesterday, in commenting upon Turkish President Ismet Inonu's speech delivered recently at the Grand National Assembly.

Pointing out the fact that the Turkish President stressed strict neutrality in his speech, the paper stated that it is clear from comments appearing in Turkish papers that Turkey is determined to defend its neutrality even by armed force.

"Although the United States and Britain are making frantic efforts to lure Turkey into their camp," the paper continued, "Turkey will not give up its friendly relations with Germany," adding that Turkey's neutrality policy is based upon the interests of the Turkish people.

YOSHIZAWA TO LEAVE FOR INDO-CHINA POST

Believed His Return Will Accelerate Negotiations

Kenkichi Yoshizawa, Japanese Ambassador to French Indo-China who returned to Japan last December to confer with Japanese Government leaders regarding the new situation arising from creation of the Ministry of Greater East Asiatic Affairs is scheduled to leave here soon for his post in the French colony, it was revealed by Domei.

It is generally believed that his return will accelerate preliminary negotiations which are now under way in the French colony for conclusion of the 1943 Japan-French Indo-China Economic Agreement.

Parallel with the promotion of monetary relations between Japan and French Indo-China effected through the exchange between Tokyo and Vichy on January 20, of official notes regarding the method of settling accounts, the forthcoming conclusion of the 1943 working economic agreement between Japan and the French colony will further strengthen cooperative relations between the two countries, it is generally understood.

Meanwhile, Teiji Tsubokami, Japanese Ambassador to Thailand who returned to Japan almost simultaneously with Ambassador Yoshizawa, also will return to his Bangkok post in the near future.

To Assist Thai Premier

Yomiuri-Hochi

BANGKOK, January 21.—Lieutenant-General M. Phromyothi, Minister of Interior, was appointed Deputy Premier of Thailand, the Thai Government announced today. Lieutenant-General Phromyothi was formerly Defense Minister prior to the concurrent appointment of Premier Field-Marshal P. Phibun Songkhram to the post.

British Carrier, Avenger, Destroyed Off Morocco; Enemy Ship Toll Mounts

Axis Forces Continue to Repel Enemy Thrusts in North Africa

Domei

BERLIN, January 21.—The situation on the North African front is developing favorably as ever for the Axis, the German High Command disclosed at noon today.

In the Libyan sector all counteroffensives by the British Eighth Army were repulsed with heavy damages. The case was nearly the same in the Tunisian sector, where the Axis troops succeded in further consolidating their positions.

The Axis air forces staged a sudden attack on Algiers harbor. The attackers, besides bombing harbor facilities, sank two enemy ships of the 18,000-ton class and heavily damaged nine other enemy ships.

German submarines during their operations in waters west of Algiers, sent to the bottom one 6,000-ton enemy vessel and scored a torpedo hit on another. No confirmation is yet available as to the sinking of the latter ship.

Enemy Moves Checked

By Arrangement with the Asahi
(Special to the Nippon Times)

SHANGHAI, January 21.—Axis heavy artillery corps are active on the Libyan Front in checking the advance of enemy forces under the command of Lieutenant-General Montgomery.

The German war communique issued on January 20 stated that a running fight by Italian and German tank corps is continuing in Libya and that the Axis air force inflicted heavy damages on British tank units. In Tunisia, the communique further revealed, the

(Continued on Page 2)

Admiralty Admits Loss With Heavy Casualties--Convoy Hit Off Algiers

Domei

LISBON, January 21.—The British Admiralty in its announcement today of the sinking of the British aircraft-carrier, Avenger, torpedoed off the coast of Morocco, disclosed the death of 507 persons including 68 of the crew, a London dispatch reported here today.

Enemy Convoy Blasted

Mainichi

BERLIN, January 21.—The German High Command announced today that German air units bombed an enemy convoy off Algiers, Wednesday evening, sinking two transports totaling 18,000 tons, and seriously damaging nine more ships.

625 U.S. Ships Sunk

Mainichi

STOCKHOLM, January 20.—According to figures based on information given by the United States Government and other sources, the number of United States ships sunk by German submarines up to the present is 625, United Press reported from Washington.

U-Boat Menace Grows

Mainichi

LISBON, January 20.—Director Elmer Davis of the United States Office of War Information today stated that United States ships sunk since the beginning of the present year to date exceeded those sunk during the same period in December, United Press reported from Washington.

He added that the threat of Axis submarines is rapidly increasing, and will continue to be so for a very long period.

The British Admiralty announced, on January 20, the belief that an 875-ton British mine-sweeper has been sunk, since she has not, as yet, returned to her base, it is reported, according to a Lisbon dispatch to Domei, on the same date, in relaying a wire from London.

HUGE PROBLEMS CONFRONT U.S.

Government Steps Unlikely to Be Accepted by People

Mainichi

LISBON, January 21.—Internal conditions of the United States will be far more complicated this year. Owing to its huge budget of $109,000,000,000, it will be necessary for the Government to enforce in earnest a taxation increase, lower the living standard and evolve a variety of measures to control the living of the people, although it is doubtful whether the people will bear the drastic steps being contemplated by the Government.

On top of this, there are indications, that the anti-government elements in Congress will instigate the masses and that the isolationist group have begun to regain its influence, which are sources of anxiety to the Government.

With living becoming harder with the progress of the war, the American people are recalling that in the last world war the United States was exploited by Britain, and there is a section of the people which is of the opinion that the United States should give up its ambition of world domination.

Stiff Opposition Feared

The governments of the United States and Britain are also being threatened by the fact that William Davis and other rabid isolationists occupy chairs in the Senate Foreign Affairs Committee. In this connection, a Sunday Times correspondent in the United States

(Continued on Page 2)

SINO-JAPANESE ENVOYS HOLD RALLY IN SHANGHAI

Pledge Full Support to Nanking's Diplomacy

Domei

SHANGHAI, January 20.—Upon the inauguration of the Organization To Promote Popular Diplomacy, a rally was held at the Cathay Hotel here this afternoon in the presence of more than 300 Chinese leaders as well as foreign envoys.

Among those who attended were Wu Kai-sheng, Chinese Ambassador to Rome; Mamoru Shigemitsu, Japanese Ambassador to Nanking; Dr. Erich Kordt, German Charge d'Affaires in Nanking; and Chen Kung-po, Mayor of Shanghai.

In the course of the meeting, Wei Lan-ting was elected chairman of the association and at the same time a resolution pledging full support of the diplomacy of the National Government of China was passed.

The resolution was cabled immediately to Wang Ching-wei, President of the National Government of China.

The new organization aims at propelling the diplomacy of the National Government on the basis of the New Citizen's Movement in China.

MANCHOU BACKS NEW AXIS PACTS

Says Total Economic Accord Redoubled Fighting Power

Domei

HSINKING, January 21.—The Manchoukuo Government, in its statement issued today, expressed its full support of the conclusion of the Japanese-German and the Japanese-Italian Agreements on economic cooperation, and declared that the fighting strength of the Axis Powers has thus been strengthened

The gist of the statement follows:

"It is indeed gratifying that in the construction of a new Greater East Asia, the common front of Japan, Germany and Italy against the anti-Axis Powers has now been reinforced further in the economic field.

"The entire mobilization of the total economic strength of the three Axis Powers has redoubled the fighting capacity against the Anglo-American Powers and consequently will hasten the destruction of the enemies.

"While our country, sparing no efforts to offer every possible cooperation to the Axis Powers, has already entered into special economic relations with Germany as well as Italy since a few years ago through the medium of the Manchoukuo-Germany Trade Agreement and the Tripartite Economic Agreement among Japan, Germany and Italy. Our Government is determined to contribute further to the favorable development of trade relations with Germany and Italy in close concert with Japan."

Shanghai Hails Pacts

Domei

SHANGHAI, January 21.—Financial circles here welcomed the con-

(Continued on Page 2)

SOVIETS LOSE 804 TANKS IN 11 DAYS ON E. FRONT

German Forces Destroy 79 Supply, Armored Cars

Domei

BERLIN, January 21.—German forces on the Eastern Front, in their fighting from January 11 to 21, either blasted or captured 804 Soviet tanks, the German High Command in its noon-day communique revealed today.

On the Eastern Front, the communique said, the Axis forces have routed the stiff resistances staged by the Soviet troops at several spots. The enemy have been driven back with heavy losses. Both on Tuesday and Wednesday, the Soviets lost 52 supply-laden cars and 24 tanks.

Terrific fighting is still being continued in the Stalingrad sector. The Germans, meantime, have frustrated many attempts on the enemy side to push on. In the sector south of Lake Ladoga, the Germans destroyed 27 Soviet armored cars during their encounters with the enemy.

U.S. Fliers Machine-Gun 2 Axis Ambulance-Planes

Domei

BERLIN, January 21.—An inhuman attack on Axis ambulance-planes carrying wounded soldiers of both Axis and British forces by American planes, was disclosed in an announcement made today by German military quarters.

While flying over a point 25 nautical miles off San Marettimo on January 17, two Axis ambulance-planes bound for Sicily from Tunisia were attacked and machine-gunned by a formation of American fighter planes, and as a result one of the planes had to make a forced landing while another was shot down.

Of the wounded soldiers aboard the planes five were killed. Several of the remainder were rescued by Italian planes dispatched immediately to the spot.

Raid Casualties Revealed

The British Air Ministry made an official announcement of the air raid made on London on January 20 by the Luftwaffe, according to a Lisbon dispatch to Domei of the same date in relaying a wire from London.

The announcement was reported as follows:

"After bombing London, 25 German bombers, escorted by over 100 fighting planes, bombed Kent and Sussex counties and six other districts in the southern coastal regions of the British mainland. The number of those killed or injured in these raids has reached a total of approximately 100 persons."

Commissioner Reaches Hanoi

Domei

HANOI, January 21.—Chang Chung-fu, who will serve as head of the Trade Commissioner's Office in French Indo-China of the National Government of China, arrived here today from Nanking. This office was opened here as a central liaison organ for Chinese residents in the French colony.

CHILE PEOPLE OPPOSE MOVE

Demonstration Held At Santiago--Warm Feeling Toward Axis

The decision of the Chilean Government to sever relations with the Axis nations was taken very much against the will of the people and even in the course of the debate on the serious step in the Senate, it was suggested that "interruption" rather than "severance" should be used to denote the Chilean attitude, it was revealed in a dispatch to Domei from Santiago relayed from Buenos Aires under date of January 20.

Chilean Foreign Minister Joaquin Fernandez on Wednesday afternoon in the Senate gave an account of the country's foreign relations in which he described the visit of Home Minister Raul Morales to Washington and dwelt on the severance of relations with the Axis Powers.

Luis Ambrosio Contiyas, chairman of the Foreign Relations Committee of the Senate, moved that the term 'interruption' should be used as it is less liable to offend the Axis Powers than severance. President of the Senate Mendez seconded the motion but the general opinion of the assembly was that from the standpoint of international law, there was no appreciable difference. Thus at 8 p.m. on Tuesday, after hours of discussion, the Senate adopted the Government's resolution by a vote of 30 for and 10 against severance of relations.

The circumstances in which the matter was rushed through indicate that Chile was compelled to adopt the course it did under coercion persistently exercised by the United States, it is pointed out in well informed circles.

People Against Severance

On January 19 when the Senate adopted President Juan Antonio Rios' resolution to sever relations with the Axis Powers, a large-scale demonstration against the action was staged at Santiago. It is also a well-known fact that Chile is a nation of military spirit with a large proportion of its citizens coming from German lineage. For these reasons it has always entertained a warm, friendly regard for Germany and Japan.

Also from economic and political considerations Chile, along with Argentina, have resisted the caballing of the United States and adhered to a policy of strict neutrality. In January last year, at the time of the Pan-American Conference at Rio de Janeiro, Peru and Brazil decided to sever relations with the Axis nations and as Chile and Argentina would not follow suit, relations between the two groups of nations for a time grew quite tense.

Since then, the United States sought by every means to drag Chile over to its camp. It aided and abetted Peru and Bolivia with which Chile stood in delicate relationship over the territorial retrocession issue, intending thereby to intimidate the neutral nation into doing its bidding. At the same time, it set in motion its traditional dollar diplomacy and began bribing over the more influential politicians and financiers of the land. Nelson Aldrich Rockefeller was sent as a special agent to dazzle the more amenable Chileans.

Difficulties Grow

Gradually the Chilean resistance weakened and it became difficult for the country to maintain its neutrality. Sympathizing with the position of Chile, the Japanese Imperial Government on September 18 last year through Tomokazu Hori, spokesman of the Board of Information, sent a message to that country inciting and supporting its policy of neutrality with a friendly recommendation that its enduring interests lie in maintaining that policy.

Meanwhile, it became necessary for President Rios to visit Washington. On October 4, however, U.S. Undersecretary of State Sumner Welles delivered an abusive speech against Chile and the indignant President Rios cancelled his visit. Nevertheless the elements bribed over by the United States, grew extremely active, while an intense aggravation of antagonism between the then Foreign Minister Ernesto Barros Jarpa, leader of the strict neutrality faction, and Home Minister Raul Morales, leader of the anti-Axis faction, compelled the Cabinet, on October 20, to resign en bloc. The new Cabinet organized on October 22 was of such a composition as to suggest that severance of relations with the Axis Powers was only a matter of time.

Toward the end of the year, Home Minister Morales paid a visit to Washington on behalf of President Rios and returned to Santiago on January 5. It was in this interval the decision to discontinue relations with the Axis nations was really taken.

The defection of Chile has left Argentina as the sole guardian of peace in South America. The surrender of Chile to American plutocracy is deeply regretted in a wide circle of nations entertaining the friendliest feeling toward that country, especially as the will of its people is decidedly pro-Axis.

Skating Enthusiasts Are Joyful

The above scene reveals the huge natural ice arena at Lake Haruna in Gumma Prefecture where the 13th annual Meiji Jingu Winter Sports Meet is now being held.

Huge Problems Confront U.S.

(Continued from Page 1)

warned that the monster of isolationism would accelerate its influence if any problem relating to the foreign policy should arise or any act of Britain should incur the anger of the American people.

In the session of Congress convened on January 6, the voice of opposition was already raised against Roosevelt and his Government. Concerning the appointment of notorious Flynn as Minister to Australia, Roosevelt clashed with the Senate. A section of the Republican Party is dead against the huge budget and is seeking for a pretext to curtail expenditures.

According to a Daily Mail correspondent stationed in Washington, there is much possibility of the budget being cut due to the opposition raised.

As things stand, in the present session of Congress, the Lease Lend Act and inflation confronting the United States will be the major problems. Public opinion is that the United States should give to Britain only what the country receives, in exchange.

That the United States is confonted with vicious inflation is clear from the fact that 96 per cent of the budgetary estimates are for military demands.

In addition to these political problems, the United States is facing the serious problem of food. Agricultural products increased last year by 14 per cent. However, the demand for food increased due to the supply to the United States expeditionary forces and its allies by virtue of the Lease Lend Act.

As a result, the Government is contemplating on enforcing a food rationing system from February, although the measure is not likely to cover the shortage.

Labor Also Lacking

The shortage of food is resulting from labor lack. For the increased output of foodstuff, it is imperative to increase farm laborers. However, this is far from realization, for the Government is planning to recruit 1,000,000 troops from agricultural communities.

The United States is confronted with the three problems concerning munitions. The first is that for the maintenance of Anglo-American air forces it is necessary to increase the number of oil plants.

To carry oil and other munitions, it is necessary for the United States to build cargo vessels and warcraft to escort them, far in excess of the tonnages being sunk by Axis submarines. This is the second problem.

Thirdly, the United States is facing a serious shortage of rubber, and therefore the country deems it vitally important to build synthetic rubber plants.

However, the United States finds it difficult to increase the number of needed factories due to an acute shortage of building material, as reported by a Daily Express correspondent in Washington.

According to the correspondent, the United States may be in a position to feed the people and supply munitions to its armed forces, but the country is far from being in a position to act as an arsenal for the anti-Axis camp as a whole.

Egypt Rejects British Demand To Fight Axis; Prefers Neutrality

By Arrangement with the Asahi
(Special to the Nippon Times)

SHANGHAI, January 21.—The Egyptian Government has rejected British demands that it take part in the war on the side of the anti-Axis Powers and has resolutely decided to stand outside the range of the current hostilities, it was disclosed in a Stefani dispatch reaching here from Ankara. The same report also revealed that Iraq's entry into the war was due to nothing other than Britain's coercion.

A British commissioner stationed in Cairo, states the Stefani dispatch, recently demanded of Premier Nahas Pasha Egypt's participation in the war, whereupon the Premier queried as to what bargaining points Britain would give for Egypt's entry into the hostilities. The British commissioner then made an evasive statement that ample considerations would be paid to the wishes of the Egyptians. However, the opinions of the two parties failed to agree.

Thus, the Egyptian King decided to keep his country out of the range of the war and sent a notice to this effect to the British commissioner.

In view of the decisively important position Egypt holds in the Moslem world, however, the British will not fail to put more and more pressure on Egypt in order to coerce the latter into taking part in the war.

In the meantime, El Gailani, an Iraqi patriot now in exile in Berlin, on January 19, broadcast a message toward Arab countries, in which he declared that the recent declaration of war by Iraq on Axis Powers had never been prompted by public opinion. Severely attacking Britain's deceptive policies toward the Arabs, he emphasized that only the Axis countries are true friends of the Arabian people.

In this connection, the same Stefani dispatch revealed that Premier Nuli S. Said of Iraq was forced by the British commissioner to visit Cairo. On arrival there, Iraq's participation in the war was demanded. If Iraq failed to comply with the demand, the Premier was told, the British West Asia authorities would take very serious measures in accordance with the instructions from London.

Premier Said was finally coerced into bowing before British pressure when he was handed an ultimatum to the effect that in the event of Iraq's failure to follow Britain's command, the present Government of Iraq would be disorganized and the political and administrative power would be taken over by the authorities of the British and American armed forces now in occupation of that country.

Manchou Backs New Axis Pacts

(Continued From Page 1)

clusion of the economic agreements between Japan and Germany and Japan and Italy and believed that German and Italian trade with China also will be promoted along positive lines under a definite plan which will contribute much to the financial stabilization of China.

These circles pointed out that the conclusion of the economic agreements between Japan and the two Axis Powers clearly indicates a steady forward step towards the strengthening of economic relations among the Axis Powers and consequently ensure their successful prosecution of the present war.

In the meantime, the markets showed a firm tone today, reflecting the favorable reaction.

Axis Troops Repel Enemy in Libya

(Continued From Page 1)

Axis offensive is being continued under effective protection of the air force and that the Italo-German forces had captured several important positions as well as 1,000 enemy soldiers.

According to a D.N.B. dispatch from Berlin, Lieutenant-General Montgomery's forces launched terrific attacks against Axis positions on the morning and afternoon of January 19 but were checked by the heavy artillery corps of Marshal Erwin Rommel's forces.

However, Montgomery's forces are making preparations for a new offensive against the central portion of the Axis defense and also, according to reports from Axis scout planes, are intending to create a large-scale front far to the south of the present front for the purpose of encircling the Axis troops. Due to the difficult terrain and also because of the severe bombing by the Axis air force, however, the projected opening of a front in the south had not been realized as up to the night of January 19.

Pan-America Meet Due

By Arrangement with the Asahi
(Special to the Nippon Times)

MADRID, January 21.—The Cuban Government announced yesterday that a Pan-American Conference will be opened at Havana, Cuba, in March, it is reported from Buenos Aires.

The coming conference will be the second since the participation of the United States in the war. President Fulgencio Batista y Zalduar of Cuba will preside and 40 representatives of the Republics in the American Continent will be present.

Tokyo Raid Promised

Mainichi

CANTON, January 21.—Air Minister Arthur S. Drakeford of Australia stated that Australian airplanes would bomb Tokyo before the end of the present year, in a radio address from Melbourne station today. Drakeford stated that before the end of the present year, bombs carried by Australian airplanes will be dropped on Tokyo by Australian pilots.

U.S. Movie Star Captive

Domei

STOCKHOLM, January 20.—Robert Taylor, American film star, is reported to have been captured in Spanish Morocco, according to information reaching here from Tangier. The movie star, sent to North Africa as a scout officer, was forced to land in Spanish Morocco while he was on scout duty in a plane and was captured by Spanish troops.

Norway's Foods Assured

OSLO—Branding as outright lies British propaganda assertions that bread in Norway was being made of tree bark, Evind Bluehr, Norwegian Minister of Commerce, declared in a recent radio address that the country's food supply for the coming year had been assured.

U-BOAT MENACE IRKS BRITISH

Parliament Feverishly Takes Up Question To Quiet Unrest

By Arrangement with the Asahi
Special to the Nippon Times

SHANGHAI, January 21.—To the present session of the British Parliament, which opened on Tuesday, no question is so urgent as the increasing menace of German submarines, which accounted, up to the end of last year, for the sinking of 24,000,000 tons of anti-Axis shipping.

In this connection, the latest issue of the London Evening News was quoted to have stated: "The present session will prove to be the most important since the start of the current war." A correspondent of a Swedish paper in London, by way of substantiating the aforesaid paper's claim observed: "London political observers unanimously agree that the current session of Parliament will take up the German submarine menace as the most important subject." The correspondent also said that next to this in importance is the Beveridge social reform bill.

Cranbourne Is Worried

British Deputy Prime Minister Mayor Clement R. Attlee, in his speech in the House of Commons on Tuesday, boasted that the current year for Britain will be epochal inasmuch as an anti-Axis drive would be taken on all war fronts. In striking contrast with Attlee's bombastic tone, that of Lord Robert Cranbourne of the House of Lords, who spoke on the same day, was remarkably pessimistic. Cranbourne stressed the menace of German submarines, and promised the House that the Government would do its best to cope with the situation.

The British House of Commons on the same day also heard a speech by Captain Oliver Lyttleton, Minister of War Production. He stated that the Government would meet the U-boat menace by bolstering the production of ships and airplanes, and that to attain this, he would see that more people, inclusive of women, would be mobilized.

Meanwhile, a Havas dispatch from Lisbon predicted that the British Parliament may hold a camera session next week to thoroughly discuss the extent of the havoc so far suffered by Britain, through the activities of German submarines. The seriousness with which British leaders view the increasing U-boat menace is generally regarded as natural in view of the fact that from the start of the present European hostilities up to the end of last year, German submarines sunk 24,000,000 tons of anti-Axis shipping.

Huge Tonnage Lost

According to a D.N.B. message, the anti-Axis nation, during the same period, suffered the loss of 5,100,000 tons of tankers. In this connection, a London correspondent of the New York Times stated that during the early part of December, last year, an American convoy fleet on a voyage to England suffered 35 attacks by Reich U-boats, with the result that only a few vessels reached their destination. On one occasion, he said, the escorting warships were simultaneously attacked by 13 submarines.

It is under these circumstances that Britain is now seriously concerned over the submarine menace. The Daily Mail recently wailed: "It is already three months since the War Cabinet began to handle affairs connected with the submarine menace. However, we have as yet heard nothing or seen no results from it in this regard."

NEWS SHORTS

Acorn Use Boosted

Claiming that eating acorns does not make the eater a stammerer, the Acorn Industrial Corporation in Fusan, Chosen, has begun to manufacture starch from acorns for use in making Chinese noodles. The by-products will be used in feeding pigs, the Asahi reports. The Corporation, has been manufacturing tannic acid from acorns for some time.

To Aid Workers

The labor service corps of the Dai-Nippon Women's Association in Tokyo has volunteered to send its members to various dormitories attached to the factories in the near future, according to the Asahi. The purpose is to cook, wash and mend the clothes of the young factory hands who are busily engaged in wartime production.

Mompei for Uniforms

The Women's Normal School and the Urawa Second Girls' High School in Saitama Prefecture have decided to adopt mompei or women's overalls as their school uniform, reports the Asahi. Mompei, the school authorities claim, are much warmer and more suitable for various school activities than the present uniform.

Memorial Field Set

The Society for Service Behind the Guns in Toyokunimura, Shiga Prefecture, has recently acquired a patch of land which it has named the "Memorial Field." The members of the Reservists Association, the women's club and the youth corps have decided to cultivate this land and turn the proceeds from the sale of the crop to pay for the memorial services of the war dead and for other relief work.

Fast Straw Workers

About 66,800 straw hats and straw mats will be produced by the villagers of Kitanaka-mura, Ibaraki Prefecture, reports the Tokyo Shimbun. They expect to make them in a record time of three months.

To Quit Old Calendar

The abolition of lunar calendars was discussed at the regular meeting of the Tokushima Municipal Assembly, according to the Asahi. The existence of these calendars upon which both Shinto and Buddhists rites are based has given rise to many superstitious notions.

Press Comments

(Continued from Page 1)

and were frantically striving to reduce to the minimum the economic blow to them due to isolation from the European market. Even then there was at bottom a gap which the United States could not conceal in the form of total absence of cultural leadership over the Latin peoples which is essential for true cooperation. Whatever cooperation the Latin countries gave was of the sitting-on-the-fence variety, merely a means of maintaining their independence.

This vulnerability of dollar diplomacy was clearly exposed to view at Rio de Janeiro immediately on the outbreak of the War of Greater East Asia. The prestige of the United States, which had been boasting of its position of stabilizer in the Western Hemisphere, fell to the ground with the Pearl Harbor debacle. The Latin American countries which had been on the defensive up to that time suddenly took to the diplomatic offensive. It is still fresh in the public memory how Chile and Argentina opposed the adoption of the resolution to sever relations with the Axis Powers and the United States was compelled barely to save its face by a merely formal compromise in the form of a recommendation to sever relations instead of the outright decision it sought.

Thereupon the United States cast off the mask of long years' standing, that of good neighborhood policy, in favor of a strong policy of coercion to turn South American countries into so many economic dependencies as suppliers of materials which it had lost in East Asia, and to turn them into military bases for the defense of its own homeland.

Thus, immediately after the threatening speech of Welles, the United States detained Chilean shipping, instigated Bolivia and Peru to conduct armed blackmail on Chile and resorted to other friendly and "neighborly" tactics to secure its "cooperation." We may say that the foreign policy of Chile which is dependent to a large extent on foreign markets for its livelihood has brought the country to the present pass. The world has now witnessed a new victim of the unscrupulous dollar diplomacy of the United States.

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Yokohama Indians Set To Fete Freedom Day

Indian Independence Day will be celebrated on January 26 by the Indian Independence League of Yokohama.

According to H.P. Gulrajani, honorary secretary of the league, Japanese officials and representatives of the Axis countries in Yokohama have been invited to attend the function.

At 10:30 a.m., all the Indian residents of Yokohama and Tokyo will meet at the India Club at Yamashita-cho on that day for a flag salutation ceremony, after which the members of the Indian community with their guests will hear a lecture to be delivered by D.W. Sadani, president of the league.

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ONE YEAR OF THE PACIFIC WAR .... Yusai Takahashi
LIMITS OF SOVIET-"DEMORATIC" UNITY .... Shozo Mori
THE OFF-SEASON ELECTION IN AMERICA .... Katsuji Inahara
WAR SITUATION IN NORTH AFRICA .... Tohmin Suzuki
GREATER EAST ASIA INTERNATIONAL LAW .... Masatoshi Matsushita
READJUSTMENT OF SMALLER CONCERNS .... Tanzan Ishibashi
JAPANESE-THAI CULTURAL ACCORD .... Takeshi Yanaghisawa
CHARACTERISTICS OF JAPANESE WOMEN .... Toshiko Ifukube
OUR SOUTHERN RECONSTRUCTION POLICY .... Chihiro Tsutsui
BOOK REVIEWS:
Sadao Kiyohara: Nippon Shisoh-shi (The History of Japanese Thoughts)—Harutaka Hayashi: Sake (Rice Wine)—Kokusai Bunka Shinko-kai: Connaissance de L'Indochine
JAPAN'S PERIODICALS—Extracts:
Kazuo Higo: Japan's Objective in Historical Light—Yoshio Matsushita: Revisions in the Conscription System—Hisataka Omodaka: Our Modern Women
CHRONICLE OF CURRENT EVENTS
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DOCUMENTARY MATERIAL:
Protest to the British and Indian Governments in regard to Maltreatment of Japanese Interned at New Delhi, November 11, 1942—The Second Anniversary of the Conclusion of the Sino-Japanese Basic Treaty, November 30, 1942 (1) Premier Tohjo's Address (2) Foreign Minister Tani's Speech

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Build Greater East Asia We Will, With Fiery Spirit And Iron Will

Nippon Times

Fight Onward Till Asia Is Asia's Own

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AXIS ECONOMIC AGREEMENTS OPEN BRILLIANT NEW CHAPTER IN WORLD ECONOMIC HISTORY

Pacts Are Significant Indication of Coming Order

U.S., BRITAIN ARE HIT

Will Facilitate Smooth Interchange of Indispensable Materials for War Prosecution

A new chapter in world economic history has been opened by the conclusion of agreements concerning economic cooperation between Japan and Germany and between Japan and Italy, local observers declared on Thursday.

The two agreements, which are identical, are an indication, they said, of what the new world order which the three signatories of the Tripartite Alliance, Japan, Germany and Italy, are working for, will be like.

The agreements can be considered as a Japanese-German-Italian declaration of a new economic order for the world, they said, adding that the new world order visualized by the three Axis Powers of Japan, Germany and Italy is one under which the races and nations of the world, in "economic spheres," will exert themselves for the advancement of the happiness of the human race.

From the world under the new order there will have vanished the Anglo-American system for settlement of international accounts which has been the cause of the blight which had settled on the human race at the time the Axis Powers and their allies intervened to end it by going to war with America and Britain, it was declared.

Yen Bloc Envisaged

The agreements indicate, they said that in Greater East Asia, one of the economic spheres into which the world under the new order will be divided, the currencies used will be based on the yen.

In Europe, which is under the domination of Germany and Italy, the Reichmark and lira will form the basic currencies in circulation, they added.

It goes without saying they said, that the agreements between Japan and Germany and between Japan and Italy are an embodiment of the spirit of the three Axis Powers in concluding the Tripartite Alliance under which Japan was to recognize and respect the leadership of Germany and Italy in Europe and Germany and Italy were to recognize and respect the leadership of Japan in Greater East Asia.

Another important thing about the Agreements is that they have paved the way for the construction of an economic structure permitting Japan, Germany and Italy to get what materials they need to bring the war against their common enemies, America and Britain, to a conclusively victorious end, it was stated.

Franco-Nippon Notes

Meanwhile, these observers pointed out that the exchange of notes between Japan and France concerning the method of settling accounts between Japan and French Indo-China, as announced by the Board of Information, marks a long step toward completing the work of constructing the Greater East Asia Co-Prosperity Sphere.

It signifies, they said that it will not be long before all the races and nations in the vast area of Greater East Asia will be using the yen currency in the settlement of accounts.

French Indo-China just about completes the roster of nations of importance in Greater East Asia which have decided to use the yen in the settlement of accounts between them, it was pointed out.

At the same time competent observers commenting on the Japanese-German and Japanese-Italian Agreements attached considerable significance to the fact that there is mention of economic spheres in the documents.

These economic spheres, according to these observers, connote groups of races and nations which have accepted the leadership of Japan, Germany, or Italy.

Blocs Are Defined

The observers pointed out that it is the first time that economic relations between groups of races and nations have been defined in an international pact. It has been

(Continued on Page 2)

Envoy Stahmer Sees Final Axis Victory In New Agreements

Domei

SHANGHAI, January 21.—The newly concluded Japanese-German and Japanese-Italian Economic Agreements will go a long way toward effectively mobilizing and utilizing all available resources within the contracting countries for the purpose of achieving final victory in the common war against the anti-Axis countries, stated Dr. Heinrich Stahmer, new German Ambassador to Tokyo, in a press interview at the Park Hotel today. He added: "I shall leave for Tokyo in the near future to take up my Ambassadorial post in the Japanese capital. Upon my arrival in Tokyo, I will do my best for further cementing cooperative relations between Japan and Germany so that a final victory may be won as soon as possible."

NANKING REVAMPS PROVINCIAL SET UP

Supreme Defense Council Takes Step to Further Strengthen Structure

Domei

NANKING, January 20.—The Supreme National Defense Council met in its second session today and reformed the provincial administrations which will further strengthen the political power of the Central Government over the local bodies, according to an official announcement.

By this reorganization, which simplify the administrative systems of both the national and local governments, the chairmen have been replaced by governors while the committee system also has been abolished in the provinces.

The official announcement also revealed that the new governors for the various provinces will be appointed by the President of the Executive Yuan.

Meanwhile, the Nanking Government announced new appointees to various official posts as follows:

Provincial Governors: Li Chih-chun of Kiangsu, Fu Shih-shou of Chekiang, Kao Kuan-wu of Anhwei, Yang Kuei-i of Hupeh, Chen Yao-tsu of Kwangtung.

Members of the National Economic Commission: Chou Tso-min, Tang Shou-min, Wu Chang-hsiu, Hsiang Kang-yuan, Li Sheng-po and Wang Shang-ta.

Members of National Economic Commission's Standing Committee: Mai Ssu-ping, Wang Shih-king, Wang Yin-tai, Ku Pao-heng, Chou Tso-min, Tan Shou-min and Wu Chang-hsiu.

Other appointments included: Chen Chun-hwei as Chief Secretary of the National Economic Commission: Wang I-tang and Chao Tso-jen as Executive members of the New National Movement Commission: Wang Shih-king as member of the Central Political Council and Yu Chin-ho as Superintendent of the Construction Bureau, concurrently executive member of the North China Political Council.

DESERTS CHUNGKING CAMP

Gen. Wang of Chiang's Army Joins Nanking Forces

Domei

NANKING, January 20.—Following the recent appointment of General Wu Hua-Wen, who joined in the Nanking peace movement and was subsequently appointed Commander-in-Chief of the Chinese Forces in the Shantung region, General Wang Chin-yeh, Commander of the 128th Division in the Sixth War Zone under General Chen Cheng, also has sided with President Wang Ching-wei with 7,000 men and subsequently was appointed Commander of the 43rd Division of the Nanking Government, it was revealed here today.

The succession of surrenders by enemy generals is driving Chiang Kai-shek and his henchmen to a whirlpool of consternation, it was further disclosed.

Axis Leaders Sign Epochal Agreements

Immediately after the signing of the agreement on Economic Collaboration between Japan and Germany signed in Berlin on January 20, details pertaining to trade, technical cooperation and payment were concluded in Tokyo on the same day between the Japanese Foreign Minister, Masayuki Tani, and the German Ambassador to Tokyo, Major-General Eugen Ott, and Chief of the German Economic Mission, Helmuth Wohlthat. Above photo shows the scene at the Foreign Minister's official residence during the auspicious occasion. Seated at left: Ambassador Ott and Dr. Wohlthat. Right: Foreign Minister Tani.

WANG I-TANG URGES FIRM WAR SUPPORT

Stresses Leadership to Delegates Attending Hsinmin Society Meeting

Domei

PEKING, January 20.—China is firmly resolved to share the same fate with Japan in the prosecution of the War of Greater East Asia for their mutual welfare and prosperity, stated Wang I-tang, chairman of the North China Political Affairs Commission and President of the Hsinmin Society, in his closing address at the 2nd extraordinary session of the society held here today.

The gist of his address follows:

"The firm resolve and determination of North China in the prosecution of the War of Greater East Asia has been fully expressed at the 2nd extraordinary session of the Hsinmin Society which was held here today.

"By virtue of the return of concessions and the abolition of extraterritorial rights in China by Japan, the sovereignty of China has been completely restored, and China is now ready to fight against the United States and Britain from its own standpoint.

"China and Japan are determined to share the same fate in order to attain mutual prosperity in the future.

"The promotion of the wartime spirit among the Chinese people through the positive enforcement of the new people's movement was the pivotal subject of the discussion at the present session.

"It is ardently hoped that the delegates attending the present session will do their best to have this spirit thoroughly permeated among the people and lead them to perfect the national structure through the economization and production increase of cardinal materials in the face of all difficulties.

"By so doing, there is no doubt that we can contribute greatly to the attainment of a final victory in the War of Greater East Asia."

Chile Notifies Decision

The Chilean government notified their severance of relations with the Axis nations to the Japanese Legation and the German and Italian Embassies in Santiago at 10 a.m. January 20, according to a Buenos Aires dispatch.

It was reported that the Chilean Foreign Office instructed their Ministers in Tokyo, Berlin and Rome to notify the Japanese, German and Italian governments respectively of Chile's severance of relations.

Economic Agreements Are a Step Toward New Order, Says Wohlthat

Chief of German Mission to Japan Declares New Pacts Will Add Greatly Toward the Winning of the War By Facilitating Interchange of Materials

Dr. Helmuth Wohlthat, chief of the German economic mission to Japan and one of the main contributors toward the conclusion of the Japan-German-Italian economic agreements, stressed the historical significance of the new agreement in an exclusive interview with Domei here Thursday.

"This is the first time in the history of the world that an economic union has been established between two blocs" Dr. Wohlthat stated. "Now the whole strength of Greater East Asia and Greater Europe have been combined to win the war for the creation of a just new world order"

The brilliant German economist, however, stressed the fact that the new agreements were meant not only for the duration of the war but also for the great time of reconstruction to come after the war when the two great blocs of the world will be joined in a tight bond of unity for the creation of the new world order.

"One of the basic aims of the pact." Dr. Wohlthat continued. "is to join the great raw material centers of Asia with the Industrial regions of Europe following the war."

Economic Interchange Facilitated

Articles for settling accounts between Germany and Japan have now been concluded which will greatly facilitate economic interchange between the two countries, Dr. Wohlthat explained.

The head of the German economic mission added that the spirit of the Tripartite Alliance was the same as the one which formed the core of the economic agreements—a spirit strongly imbued with the principles of unity between the Asiatic bloc and European bloc for the sake of the peace and prosperity of the peoples in the respective blocs.

It was revealed that the negotiations thus were carried out in an extremely friendly manner, and the German representative especially recalled the numerous pleasant contacts gained with leaders of Japan in the course of the negotiations.

As for the effects of the agreements upon the enemy, Dr. Wohlthat pointed out that now the question of how to use the total combined economic strength of the two blocs against the enemy has been clarified and that through the great contribution of the agreements to war production in the two areas will be far-reaching.

As for material effects, Dr. Wohlthat suggestively hinted "Time will tell. The enemy will learn in time." These words were accompanied with a smile which portrayed the great confidence of the German economic leader in the future potentialities of the new agreements.

"The contributions of the economic agreements toward the European war are great," was the simple but very meaningful conclusion of Dr. Wohlthat.

Today's Press Comments

Friday, January 22, 1943

(Excerpts from important editorials which are appearing this morning in the leading vernaculars are published herewith. Translations of other editorials will be found daily in the Evening Edition of the Nippon Times.)

New Economic Agreements

NIPPON SANGYO—Two new agreements concerning economic collaboration have come into being between Japan and Germany and Japan and Italy. The contents of the two agreements are identical and stipulate among other things rules for the interchange of commodities and technique between the economic spheres of Greater East Asia and Europe, for financial cooperation in making payments and for the establishment of a committee of experts for collaboration in economic policy. It cannot be doubted that these agreements, together with the fact that the Tripartite Alliance is an alliance for the construction of the New Order, will show a great strength in the prosecution of the war to destroy the old order.

It is needless to say that the three nations of Japan, Germany and Italy, based on the spirit of their alliance, have been cooperating with one another in every field. It is known by everyone that mixed committees, based on Article 4 of the Tripartite Pact, have been established in Tokyo, Berlin and Rome to drive forward close contact and collaboration in the fields of general, military and economic matters, and that cultural and military agreements have already been established.

It was in April, 1941 that a Ger-

(Continued on Page 2)

AXIS DIVE-BOMBERS PLAYING VITAL ROLE

Ex-British War Minister Attributes Them to German, Japanese Victories

Special to the Nippon Times

BUENOS AIRES, January 19.—Dealing with the Anglo-American action in French North Africa, the former British War Minister Leslie Hore-Belisha, writing in the paper, La Razon, states that the Luftwaffe again played the most important part in this theater of war.

"The Germans and the Japanese had gained greatest victories with their dive-bombers in the course of this war," he declared. "The Anglo-American forces are gravely mistaken if they believe the dive-bombers are antiquated, since owing to these dive-bombers, the Axis troops have been most successful in their operations against our formations. The German troops would not have been able to occupy Tunisia if they did not have large numbers of transport planes at their disposal."

Hore-Belisha further pointed out that Soviet Premier Josef Stalin's hope for the establishment of a second front had failed completely.

"The Anglo-American troops had had to discontinue their advance before reaching Tunis and Bizerta since they did not possess sufficient planes for the transport of troops," he added. "The achievements of our parachutists are also inadequate and the cooperation between the ground forces and the navy was likewise unsatisfactory."

Comments on N. Africa

Special to the Nippon Times

VICHY, January 19.—The events in North Africa continue to interest the press to an increasing extent.

Prominence is given to the attitude of the Tribune de Lausanne according to which the British public is poorly informed regarding the developments in Algeria. The paper emphasizes that the United States has chiefly economic aims in North Africa.

The Moniteur recalls the statement of the London Observer according to which it declares 90 per cent of the French officers in North Africa is remaining loyal to Vichy. The paper also recalls the confession of the News Chronicle, which states that strong political forces are needed to neutralize the elements in North Africa which were still loyal to Vichy. The Moniteur continues that De Gaullism in North Africa has actually been losing

(Continued on Page 2)

NEW WORLD ECONOMIC ORDER ENVISAGED IN AGREEMENTS, GERMAN QUARTERS COMMENT

New Axis Treaties Hailed by Nanking; Ties Are Strengthened

Domei

NANKING, January 21.—The conclusion of the economic agreements between Japan and Germany and Japan and Italy is fully in accord with the spirit behind the recent declaration of war by the National Government, official quarters here declared. These sources stressed China's firm determination to strengthen the nation as a vital unit in the Greater East Asia Co-Prosperity Sphere in order to fulfill the aims of the economic agreements. Hailing the agreements as further indication of the unity of aims of the Axis Powers, official quarters declared that China has pursued its economic policy on the basis of the Sino-Japanese Basic Treaty and this policy has further been augmented by China's declaration of war against the United States and the British Empire.

FRENCH AGREEMENT HIGHLY SIGNIFICANT

Mode of Accounts Settlement Between Japan and F.I.C. Payable in Yen

The greatest significance of the official notes exchanged between Japan and the Vichy Government regarding the method of settling accounts between Japan and French Indo-China lies in the fact that they embrace all of the countries within the Greater East Asia Co-Prosperity Sphere, including Japan, Manchoukuo, China and Thailand, it was pointed out by economic observers here.

In other words, in the future all visible and invisible trade accounts between French Indo-China and Japan on one hand, and between French Indo-China, and Manchoukuo, China, Thailand and all other countries within the Co-Prosperity Sphere on the other hand will be settled in yen.

In view of the fact that an agreement to settle international accounts with Thailand in yen was previously reached between Thailand and Japan, economic observers added that the present agreement with the Vichy Government regarding the settlement of accounts with French Indo-China has enabled the setting up of a single and co-ordinated financial system excluding the use of gold within the Greater East Asia Co-Prosperity Sphere.

Desired Revision

Commenting upon the exchange of official notes in Vichy on January 20 concerning the method of settling accounts between Japan and French Indo-China under the Japan-French Indo-China Economic Agreement, observers here said that due to the fact that the Japan-French Indo-China agreement concerning customs, trade and mode of payments signed on May 6, 1941 had many points which did not conform to the requirements of the prevailing situation, both parties to the agreement had been desirous of revising the agreement, states Domei.

Accordingly, negotiations were started in September last year between Japanese Ambassador Kenkichi Yoshizawa and Governor-General of French Indo-China Vice-Admiral Jean Decoux, which in turn were transferred to formal negotiations between Tokyo and Vichy, it was disclosed.

It was added that in the early part of December last year, a complete agreement of views was reached between Japanese Ambassador to France, Takanobu Mitani and Premier Pierre Laval, which finally led to the present exchange of notes.

Merauke Bombed Again

The enemy headquarters in the Southwest Pacific announced that Imperial Air Forces bombed Merauke, in New Guinea, on January 19, according to a Lisbon dispatch to Domei relaying a wire from Melbourne.

Detailed Arrangements Fixed for Three-Power Collaboration

TIES BOLSTERED

Cooperation Among Axis Partners Destined to Become Closer in Future

Domei

BERLIN, January 21.—The conclusion of the new economic agreements between Japan and Germany and Japan and Italy represents a most significant step toward establishment of a new world economic order under the leadership of the three Axis Powers, authoritative circles declared here today.

Hailing the new agreements as most welcome to the Reich Government and people, these quarters pointed out that the basic principle of economic cooperation among the three Powers, as stipulated under the Tripartite Pact, has now registered a decisive step forward in that the present agreements provide for detailed arrangements for three-power collaboration in the economic field.

It goes without saying, the same circles stated, that the new agreements are to achieve important results in the relations among the three countries. They refrained, however, from gauging the scope of ultimate effect which the present agreements will have on world economy from the belief that it will be too great to be predicted under the present circumstances.

The same quarters pointed out it is most fortunate that Japan, Germany and Italy are in such a position as to help one another in the economic as well as in other fields.

Under Italo-German leadership, they added Europe, economically, is in a position to offer highly advanced technical services as well as valuable tested results in productive process.

On the other hand, Nippon has now secured indisputable control over the vast Greater East Asia area which abounds in inexhaustible material resources, they said.

Thus, these circles said, economic cooperation among the three powers is not only natural but also is destined to become closer.

Talks Started in 1941

Work on the epochal economic agreements just concluded by Japan with Germany and Italy was begun in the spring of 1941, authoritative quarters in Tokyo revealed to Domei on Thursday.

In Berlin, these quarters disclosed, Lieutenant-General Hiroshi Oshima and Shikao Matsushima, Japanese Ambassador and Minister to Germany respectively, were instrumental in negotiating with the Trade Bureau of the German Foreign Office. At the same time, an economic mission composed of leading officials from the German Foreign, Economic Affairs and Foodstuff Ministries and headed by Helmuth Wohlthat, chief of the Four-Year Plan Institute, came to Tokyo to begin their talks in April, 1941.

Regarding Mr. Wohlthat, the same sources pointed out that he is a man of great ability, having once acted as head of the Exchange Bureau of the German Ministry of Economic Affairs, a man on whom Field Marshal Hermann Goering, the German Air Minister, places deep confidence. They recalled that Mr. Wohlthat showed remarkable talent in reconstructing the banking organs in the Netherlands following the German occupation of that country.

In the first parleys held in Tokyo, the Japanese side was represented by Ryoei Saito, who was then adviser to Foreign Minister Yosuke Matsuoka, and others. That talks, these quarters said, progressed smoothly, with an agreement in views reached within a brief two months.

However, just at this juncture, in June, 1941, hostilities broke out between Germany and the Soviet Union, necessitating a fundamental revision of the draft plan for negotiations, these circles pointed out. Moreover, in December the same year, Japan declared war on the United States and Britain, thus necessitating a further change in

(Continued on Page 2)

HINDUS, MOSLEMS IN INDIA EXHORTED

1943 Is Year for Independence, Indian Patriot Avers In Radio Speech

Domei

RANGOON, January 20.—As a prelude to India's "Independence Day" which is to be observed on January 26, while an anti-British movement for India's independence is in full swing, a member of the All India Independence League last night made a radio speech here recalling that the independence movement started in 1857 against Britain under the leadership of Bahadur Shah, last ruler of the Moghul Empire. He stressed that 1943 is the year for India's independence and requested the Hindus and the Moslems, particularly the latter, to rise up against the British.

The gist of the speech is as follows:

"Britain desiring to oppress the Indian people spiritually not only educated them in a distorted way, but also taught them a false history. In history books published in Britain, the incident of 1857 is called 'Indian soldiers Mutiny,' and even in the British schools the incident is treated likewise.

Facts Distorted

"The incident of 1857 being the India's independence war, a ban is placed on books dealing with the true facts regarding this incident.

"In 1857 a revolutionary army was formed for India's independence by some patriots and they made Bahadur Shah, the King of India, as the leader of independence movement.

"In a declaration issued by Bahadur Shah during the independence movement, he said: 'Wake up, Hindus and the Moslems in India! Britain has deprived us of independence (swaraj) which is the most blessed thing for us and Britain will make desperate efforts to keep independence away from us for good.

"The cruel acts committed by Britain so far are too many to enumerate. Are you still desirous to idle away for time? God dislikes you to live in idleness because He has infused in the heart of the Hindus and the Moslems the desire to expel Britain from India.

"Thanks to the blessing of God and your courage, Britain shortly will be defeated and no trace of Britain will be left in India.

"In another declaration issued to the Hindus in Robul Khand by Bahadur Shah, he said: 'The long-expected Independence Day is here. Are you going to seize a unique opportunity or miss it? You have been deceived by Britain for a long time and the Indians have been beheaded by their own swords. Now is the time for us to atone for our treason.

Warns Against Deception

"By means of crafty deception, Britain shortly will instigate the Hindus and the Moslems with the object of making them struggle with each other. We, however, should not be caught in their trap.

"You all know that Britain does not keep its promise under any circumstances. Britain is crafty and deceitful. Forget all trifles existing between the Hindus and the Moslems and be united firmly for the sacred war.

"Under one and the same standard, fight in the battle-field and wash away Britain from India by your blood.

"Bahadur Shah declared as quoted and 85 years have elapsed. What Bahadur Shah said is still true and is applicable to the current movement in India—why?

"Owing to the failure of the independence movement of India in 1857, India has been under the pressure of Britain for the past 85 years. Even at the present moment, India is in a sad plight. Hence no wonder Bahadur Shah's remark is still true.

"Both the Hindus and the Moslems presented a united front against Britain in 1857. All Indians joined hands with each other. Indian soldiers under British command raised the standard of revolt by participating in the independence movement.

"Unfortunately, however, the movement ended in a failure and several hundred thousand Indians died. Britishers committed atrocious acts which never will be forgotten by the Indians for ages to come.

Smashed by Japan

"Bahadur Shah in his declaration in 1857 asked, 'Is the cruel demon which had deprived us of our independence possible to live for ever?' No answer was made to this question that year but in 1942 the atrocious demon Britain was smashed into smithereens by Japan, our friend in Asia.

"The spirit of martyrs of 1857 was exalted." On August 8 last year the last independence movement was started against Britain.

"Our countrymen, let us pray so that India's liberation may materialize in 1943.

"The Moslems in India, I hope, will call to mind Bahadur Shah and 1857 when the Hindus and the Moslems cooperated with each other to fight our common enemy. At that time three sons of Bahadur Shah were chained. They were dragged through the streets of Delhi, after which they were shot to death.

"In front of a police station, their bodies were left for some time for vultures to prey on. Later they were thrown into a river.

"Now we should not conflict with each other over trifling matters. Britain not only enslaved India but also swallowed up in 1918 the sacred land of Palestine; hence Britain is now the greatest enemy of the Islam. It is a golden opportunity for us to fight Britain and to drive it out of India for India's liberation.

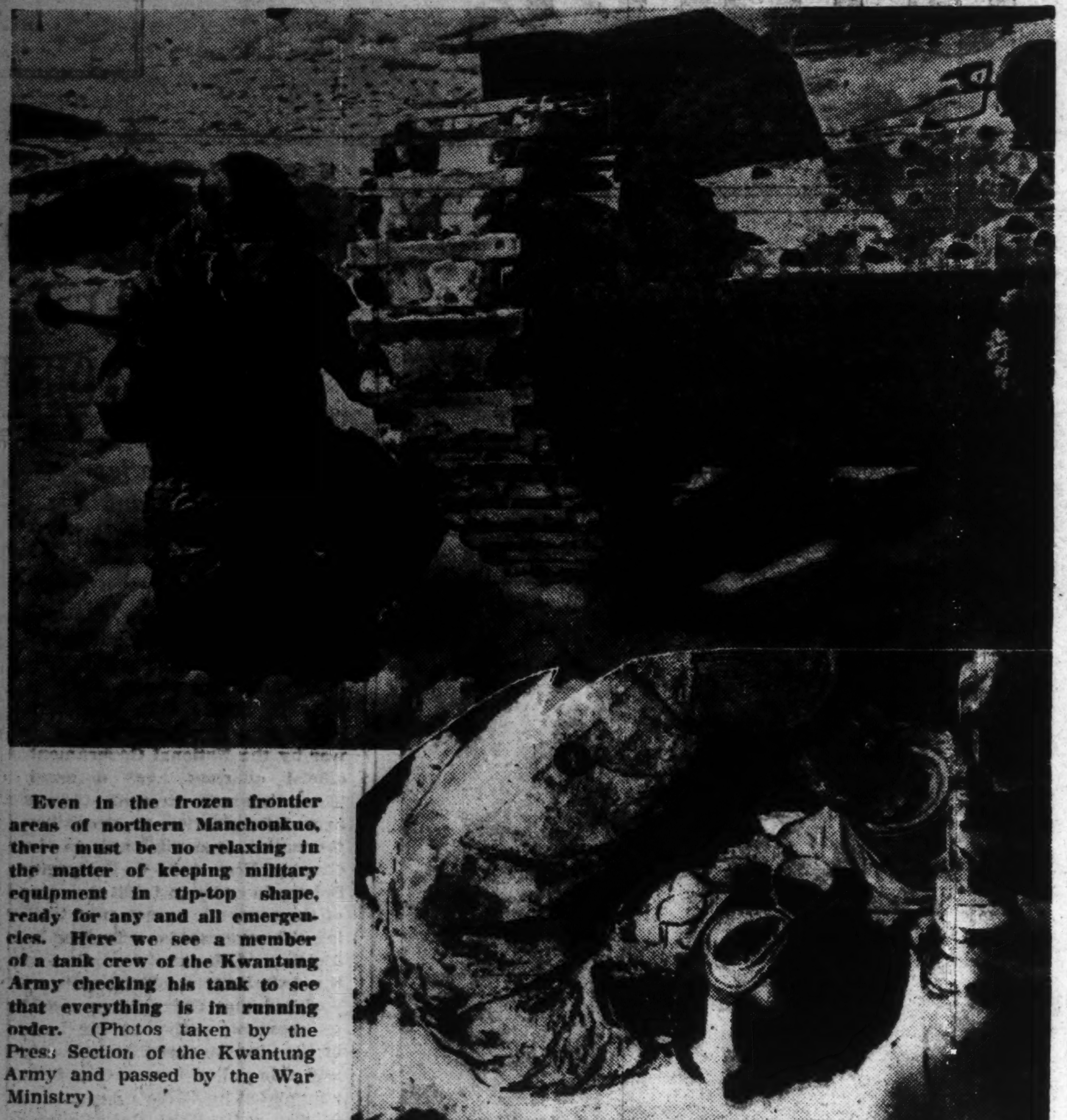
War for Asiatics

"In 1943 India must not be defeated in its independence war because it is not only the war for India to be fought by the Indians but it is also the war supported by the War of Greater East Asia which East Asiatic countries are fighting to bring Asia back into the hands of the Asiatics.

"We should not make historians write 'the Moslems in India were slow in the participation in the independence war.'

"Our countrymen, January 26 is India's Independence Day. Now is the time for us to appreciate Bahadur Shah's remark."

In North Manchoukuo



Even in the frozen frontier areas of northern Manchoukuo, there must be no relaxing in the matter of keeping military equipment in tip-top shape, ready for any and all emergencies. Here we see a member of a tank crew of the Kwantung Army checking his tank to see that everything is in running order. (Photos taken by the Press Section of the Kwantung Army and passed by the War Ministry)

Axis Agreements Open New Chapter

(Continued From Page 1)

customary for individual nations to form units in regulating economic relations with others. It has been left to Japan, Germany and Italy to treat groups of races and nations as units in economic agreements, they said.

These observers said that three important facts emerge from a perusal of the Japanese-German Agreement on Economic Cooperation, a pact which was drafted with a close regard for the German-Soviet war and the war of Greater East Asia.

1. The Governments of Japan and Germany are to effect exchange of economic services necessary for the prosecution of war between the two countries. The economic services comprise economic goods and technique.

2. The agreement is effective not only for the duration of the war but also after it. This means that after the war the two countries will keep up their collaborating in the economic sphere.

3. The agreement is a sort of monetary pact designed to insure that economic goods exchanged between the two countries are paid for in a convenient way. For instance, if Japan is in need of marks, the yen will be placed in a branch in this country of a competent German bank. Then the marks needed by Japan will be placed at the disposal of the branch in Germany of the Yokohama Specie Bank. On the other hand, if Germany wants yen, it will place an equivalent of it in marks with the branch in Germany of the Yokohama Specie Bank. Automatically, the branch in Japan of the designated German bank will get the money.

Banks Are Stipulated

It is understood that the Berlin branch of the Yokohama Specie Bank will take charge of matters concerning payment under the new Japanese-German Agreement. In Japan matters concerning payment under the same agreement will be attended to by a branch of the Reich East Asia Bank which will shortly be opened in Tokyo.

The Reich East Asia Bank, whose main office is in Berlin, was established in November last year.

A joint undertaking of 14 influential banks, including the Deutsche Bank, the banking institution has a capital of 10,000,000 marks.

The credit of the Yokohama Specie Bank stands very high throughout the world. This consideration is in the background of the decision to pursue the policy of letting the Berlin branch of the bank look after details of the matter of payment in Germany under the new agreement, it was revealed.

Lower House Passes Government Move To Delay Reopening

The plenary session of the House of Representatives, which convened at 1 p.m. Thursday under the chairmanship of Speaker Tadahiko Okada, to discuss the Government's proposal to postpone the reopening of the Imperial Diet, unanimously approved the Government's request and immediately went into recess until January 28. Both houses of the Diet, which have more than 80 bills to approve before the end of the 81st session, will resume their business on January 28.

SWEDISH HEAD STRESSES STRENGTHENING DEFENSE

Prime Minister in Parliament Speech Says Battle Area May Be Shifted

Prime Minister P.A. Hansson of Sweden, expounding the absolute necessity for the strengthening of the national defense, addressed the Swedish Parliament on January 18, according to a Stockholm dispatch to Domei dated January 19.

"With the warring nations making desperate efforts in the prosecution of a decisive war," he declared, "we are not immuned from the possibilities of the war situations making sudden changes. It is to be expected that the areas in the vicinity of the battle zones might be suddenly enveloped in a mist of battle smoke."

Meanwhile, the supreme commander of the Swedish forces issued an order to the entire Swedish forces stressing that the commanders of all troops must expect the outbreak of hostilities within Sweden and must not neglect their duties in military prepardness."

11 Sultans Donate

Domei

SHONAN CITY, January 21.—Eleven sultans from Sumatra and Malai peninsula called on the Commander-in-Chief of the Nippon Expeditionary Forces in Malai and Sumatra today and donated a large sum of money toward the funds for the construction of the Shonan Shrine and the Soldiers' Monument.

New Economic Order Seen in Agreements

(Continued from Page 1)

the plan.

Following the outbreak of the War of Greater East Asia, it was disclosed, the negotiations dealt with ways and means for exchanging materials, the effecting of mutual collaboration in the technical field and the solution of problems regarding the settlement of trade accounts.

The economic parleys between Italy and Japan got under way in Tokyo and Rome at just about the time the preliminary work on the Japan-German agreement had reached a decisive stage, it was revealed. Quick progress in the Nippon-Italian negotiations enabled the signing of the Italo-Nippon Economic Agreement at the same time as the Nippon-German agreement, it was said.

Commenting on the significance of the newly-concluded Japanese Economic Agreements with Germany and Italy, Takashi Isaka, Chairman of the Japan Economic Federation, declared Thursday that the agreements are a great triumph for the Axis Powers in the world economic war.

Mr. Isaka pointed out that the strengthening of economic ties between the Axis Powers in Europe and Asia is a definite step forward in the march toward final victory over the Anglo-American nations. The conclusion of agreements regulating trade between the respective Axis blocs will serve, he emphasized, to bring about the solution of all economic problems to the mutual advantage of the Axis nations, to strengthen their mutual aid, to consolidate their friendly ties and promote the leadership of the leading Axis Powers over their respective solidarity spheres.

"We must and will defeat the United States and Britain not only with military weapons, but also with our economic guns," he stated.

"Although the anti-Axis Powers are bound to attempt to place every obstacle in the way of economic cooperation among the Axis Powers we must stamp out any and all such obstacles with a vengeance for the explicit purpose of constructing a new world order," Mr. Isaka concluded.

Cotton Is Successfully Grown on Celebes By Japanese; First Crop Arrives in Nippon

The first cotton crop shipped to Japan from the Celebes since the Japanese occupation of the island arrived on Thursday as a present to the Japanese at the home front, Domei reported.

Immediately after Japan took over the island, a group of Japanese agriculturalists went to the Celebes with the object of growing cotton there.

Despite adverse climatic conditions and other difficulties, they made strenuous efforts to grow cotton and, after painstaking work, finally succeeded in producing satisfactory results.

After setting aside a certain quantity for a second sowing, they shipped the first crop to this country. Encouraged by this unexpectedly gratifying result, the agricultural experts in the Celebes are making further efforts to extend cultivation there, producing a finer quality of cotton and training the native growers.

It is anticipated that raw cotton from the Celebes will be placed on the Greater East Asia market in the near future.

DE GAULLISTS HATE NEW ALGERIA RULER

Argue With Britain That Peyrouton Is Obstacle in North Africa Regime

Domei

STOCKHOLM, January 20.—The French North African puppet regime's appointment of Marcel Peyrouton to the post of Governor-General of Algeria has caused much dissatisfaction to the De Gaullists and the British Government, it is reported by a London dispatch received here.

According to the dispatch, rebel French headquarters declared that in view of the past career of Peyrouton they could not cooperate with him.

What the De Gaullists regret most is the puppet regime's appointment of Peyrouton just when General Charles De Gaulle was proposing an interview with General Henri Giraud for cooperation between the puppet regime and the De Gaullists, who regard Peyrouton as an obstable to them.

In the opinion of the De Gaullists, as the result of the appointment of Peyrouton to the post of chief administrator of the puppet regime, compromise between the De Gaullists and the puppet regime has become extremely difficult to realize, and moreover, the political situation in French North Africa will be further complicated.

According to well-informed quarters of London, Peyrouton was appointed on the authority of Lieutenant-General Dwight Eisenhower, Commander-in-Chief of the Anti-Axis Forces in Africa, and concerning the appointment the United States Government did not consult the British Government.

Severely criticizing the appointment of Peyrouton, these quarters stated that Peyrouton was very much unpopular among the Arabs and that a rebellion was about to break out in Tunisia when he was occupying the post of Governor-General of Morocco.

In the opinion of various quarters of Britain, the United States Government is to be subjected to criticism since it ignored the British Government's intention to settle the North African trouble.

In this connection, the Daily Herald stated that beguiled by Peyrouton, the U.S. State Department persuaded General Giraud to appoint him to the important post of the puppet regime.

ECONOMIC COMMISSION ESTABLISHED IN NANKING

Action Taken to Bolster Wartime Policy—Line-Up of Members Revealed

Domei

NANKING, January 20.—With the purpose of strengthening the wartime economic policy of the National Government of China, the Supreme Defense Council today revised the National Economic Commission which will be placed under the direct supervision of the National Government instead of under the Executive Yuan as heretofore.

The Commission is composed of the heads of the Executive Yuan, Foreign Finance and Food Ministries, business circles, as well as by those who occupy similar posts in the North China Political Council.

The President of the Executive Yuan shall be the chairman of the commission and the Chairman of the North China Political Council shall be the vice-chairman of the commission.

The commission shall meet once every three months and at any other time necessary. It may create research or investigatory bodies or seek advice from elsewhere.

It is believed that the creation of the commission will enable the National Government to assemble Chinese capital from Shanghai and other centers. It is also hoped to bring about better contacts and smoother functioning of the National Government's political economy under this commission.

Today's Press Comments

(Continued From Page 1)

man Economic Mission came to this country to confer on further economic cooperation. The almost completed agreement was set back by the outbreak of the German-Soviet War and the War of Greater East Asia and the negotiations taking an unexpectedly long period of time were recently concluded. These present agreements back up the cultural and military pacts and significantly put the finishing touch to the Tripartite Pact.

The formation of the new agreements means the completion of the Tripartite Pact and at the same time puts into concrete terms the construction of the New Order. The new agreements open the way for a rebuilding of the world's economic order under a new outlook. These agreements, in strengthening the spiritual and material cooperation of the three nations, not only add greatly to our strength to carry through the war to a successful conclusion, but also are an important contribution to the construction of a righteous new order.

Chile's Diplomatic Rupture

YOMIURI-HOCHI—Chile has finally cut off its diplomatic relations with the Axis countries. It used to be, one of the neutral countries of South America together with Argentina. It is the outcome of its surrender to American pressure. That the diplomatic rupture is a step toward war declaration cannot be gainsaid. The truth is not far to seek. Brazil is a glaring instance of this. Chile's present step has apparently been caused by America's pressure and this may be sympathized to a certain extent, when one surveys the reality facing that country. However, what America wants from Chile is to make it not only a background for war supplies for the former but under a fair name of the defense of the Western Hemisphere intends to cause Chile to offer its ports and islands for the disposal of American forces. This is the real motive and ambition of America.

The New Economic Agreements

YOMIURI-HOCHI — Agreements were signed Wednesday between Germany and Japan and between Italy and Japan at Berlin and Rome and took effect at once.

The agreements are designed to extend the political entente instituted by the alliance pact to the economic field, so that the three nations may go hand in hand toward the ultimate goal of victory by mobilizing the total resources of Greater East Asia and Europe and lay the foundations for co-prosperity among all the component peoples. Their significance for the Axis war efforts and post-war construction is of epochal magnitude.

The initial objective of Anglo-American warfare lay in blockading the Axis nations at sea, causing them to use up their material resources and compelling them to surrender through sheer exhaustion. The Axis navies, however, have broken through all their network of blockades and have sent to the sea-bottom some 20,000,000 tons of Anglo-American shipping, thus turning the tables on them. In parallel with these armed achievements, Germany and Italy have secured vast territory in Europe yielding abundant economic resources and Japan has occupied the treasure houses of the Southwestern Pacific, making themselves self-sufficient for a war of any duration.

Former United States Ambassador to Tokyo Joseph Grew has warned the American people against their under-estimation of Japan's economic resources, telling them that far from exhausting itself in the four year-campaigning in China, Japan has been steadily accumulating the materials and fighting strength necessary for the titanic struggle ahead. When the treasure houses of the Southwestern Pacific are plied open by Japan, it will become the richest country on earth. All this is quite true. In addition to the world's strongest army and navy. Japan now commands the world's most abundant material resources.

The agreements just concluded will enable Germany, Italy and Japan to make available to the others the materials and skill commanded by each.

BRITISH TO DRAFT WOMEN

Extreme Labor Shortage Faced by Munitions Makers

Domei

STOCKHOLM, January 20.—The British House of Commons today deliberated on the manpower mobilization bill in camera, a London dispatch reported today.

It is believed that Ernest Bevin, Minister of Labor and National Service, explained at the secret meeting the extreme labor shortage now faced by Britain in the munitions industry.

The report said that the shortage of manpower has becomes so acute in Britain that the drafting of married women and men over 51 years of age for the munitions industry has actually become a necessity.

REICH WOMEN SHINE IN ATHLETIC EVENTS

Garnered Most of Track and Field Honors in 1942; Dutch Lass Starred

Miss Fanny Blankers of Holland proved to be the most outstanding track and fields star during 1942 by topping an imposing field to establish the best marks in the 100 meters dash, the 80 meters high hurdles, the high jump besides placing second in the broad jump.

Two world marks were also established during the year, Miss Blankers shattering the previous mark in the high hurdles by negotiating the distance in 8.3 seconds while Miss Anneliese Steinhaur of Germany set up a new mark in the javelin throw. She tossed the javelin 47.24 meters to better the mark of 46.74 meters established by Miss Gildele of the United States in 1936.

The best time for the 100 meters dash during the year was set up by Miss Blankers who turned in the fast time of 11.7 seconds. She was followed by Miss Kondijy, another Dutch sprint star, whose time was 11.9 seconds. Miss Leyman of Sweden ran the distance in 12 seconds flat while eight German athletes negotiated the distance in under 12.3 seconds.

German Lass Stars

Miss Erika Biess of Germany was the most outstanding performer in the 200 meters dash with a mark of 25.5 seconds. She failed however to better the mark held by Miss Walsciwicz of Poland who ran 23.7 Five other German women and Miss Gattaneo of Italy completed the course in under 26 seconds.

In the shot put event Miss Mauermayer of Germany walked away with top honors when she heaved a 12 pound shot 13.41 meters. She turned in a double victory by taking first place in the discus throw. Her heave of 44.3 meters bettered the efforts of two Italians, one Dutch and seven German participants who followed in the order named.

The broad jump event was also taken by Germany, Miss Christel Schulz leaping 6.04 meters followed by Miss Blankers of Holland with 6 meters flat. Eight other German athletes jumped over 5.60 meters. Miss Schulz's effort however did not better the mark established by Miss Kinue Hitomi of Japan who jumped 6.07 meters.

Miss Blankers Again

Miss Blankers turned in the best performance in the high jump event with a mark of 1.65 meters. Miss Jannoni of Italy placed second with 1.60 meters.

Miss Hitomi, the most outstanding woman track and field star to be turned out in Japan, holds the Japanese national record for the 100 meters in 12.02 seconds. She also holds the world's records for the 50 meters dash and the 800 meters. In the former event she is tied with Miss Walasciwicz with a time of 6.4 seconds while her record for the 880 meters is 2.23 seconds.

Axis Dive-Bombers Playing Vital Role

(Continued from Page 1)

ground already for months. The paper further quotes the periodical, Frontiere, which wrote that the forces of General Charles de Gaulle in the Near East have never exceeded 10,000 men of whom 3,000 were perhaps Frenchmen and the rest, native troops. However, with the loss of Syria, it claims these figures had decreased further.

A new proof of the real attitude of the North African population was provided by the descriptions of released French prisoners of war who stated that they had acted by order of their leaders without knowing that they were committing treason.

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BRITISHER MAY GET MORE RATION CUTS

Axis Submarine Activities Is Main Cause of Reduction in Food Allotments

With the Axis undersea craft bolstering their activities in the destruction of American and British merchant marine, the Britons who are relying on foreign imports for a major part of their food and fuel consumption have come to suffer more acutely from the shortage of daily necessities, it is reported by Domei from Lisbon.

The Times, London, recently declared that the allocation of food stuffs in England will be further reduced within the first half of this year.

In this connection, a London dispatch reaching here reports that the allotment of cheese will be reduced from the early part of February to half of the current amount. It is also reported that the allotment system will be enforced on bread which the Food Ministry has so far tried to keep integral. Unless this drastic measure is taken, it is said there is no other means to economize on this indispensable food, other than eating substitutes.

Propaganda Activities Turned

Relative to the bread situation in England, a London correspondent of the Madrid paper, Ya, reports as follows:

"Up to two months ago, the Fuel Ministry, mobilizing all propaganda organs, had been demanding of the British people the economizing of fuel but recently the propaganda has come to take up bread as its object of vigorous activities.

"Local newspapers every day carry the official advertisements stressing the necessity of saving bread, while the British Broadcasting Station is busily broadcasting lectures on dietics emphasizing that crumb and crust should be utilized and more potato, cabbage and vegetables be eaten."

It seems that a sentiment of resignation has become prevalent among the Britons, for a London agent of the Columbia Broadcasting Station has reported that it has become the habit of Englishmen to say "It cannot be helped owing to the shortage of bottoms," whenever they cannot obtain what they want.

Due to the shortage of shipping British farmers this year cannot get phosphatic manure for use as fertilizer, which used to be imported from North African countries, while the supply of oranges from Spain is almost nothing this year as the Spanish exporters have not complied with Britain's request that citrus fruits be sent by Spanish ships.

Coal Output Decreases

The dearth of fuel, in the meantime, remains as acute as before, for the output of coal during the latter half of the year 1942 showed a decrease of 1,400,000 tons as compared with that in the corresponding period of the preceding year, despite the frantic propaganda of the Fuel Ministry. Due to the shortage of 'labor,' part of the coal mines in Lancastershire and Cheshire will have to be closed.

As the consumption of gas and electricity has not shown signs of decreasing despite the rigid allotment system enforced by the authorities, the Fuel Ministry has established a "fuel police system" by which suspected households are examined by the police as to their consumption of gas and electricity. According to this system, those whose consumption of these fuels is found exceeding the allotted amount shall be subjected to less than six-months' confinement or £100 fine.

A tenacious nation that they are, the Britons will endure the hardships dreaming of a final victory after a prolonged warfare, but the fact that the former "have-country" has turned to be a "have-Not-country" is too evident to be concealed.

Fish Increase Planned

With hopes of amply providing every household in Saitama Prefecture with fresh fish, the authorities there have decided to construct numerous fish-farms and to raise carp in the rivers. To ensure the increase of carp to 8,000,000 by this year end, the authorities recently revived an old fishing regulation which prohibits Tokyo anglers from fishing in Saitama streams, reports the Tokyo Shimbun.

Soviet Embassy Closed

The Embassy of the U.S.S.R. in Tokyo will be closed today, in observance of the 19th anniversary of the death of the U.S.S.R.'s founder, V. I. Lenin.

Kansai Notes

There will be a German evangelical service at the Kobe Union Church on Saturday at 10 a.m. The Rev. Dr. Liemar Henning, of Kyoto, will preach. Service for children will begin at 9:30 a.m.

'WE SANK THE U.S. AIRCRAFT CARRIER LEXINGTON'

An Officer Aboard a Japanese Submarine Recounts the Exciting Life Aboard an Undersea Craft and the Encounter With an American Squadron

A graphic account of the daring attack and sinking of the 33,000-ton United States aircraft-carrier Lexington by a lone submarine of the Japanese Navy is told by an officer of the submarine which accomplished the feat which now graces the illustrious annals of the Imperial Navy. He also recounts the rigors of life in a submarine and the constant vigilant watch for the enemy carrier while on patrol and the successful accomplishment of a mission in this article which is translated from the Taiyo.

"Battling waves, wind and sky, a submarine of the Imperial Japanese Navy was continuing its wearisome course eastward after silently skipping out of its home port. The throaty gush of air down the hatch felt delicious to some members of the crew resting from their labors.

Batches of dark clouds gradually spread over the sky and with dusk stiff waves began to lash the undersea-craft. Bucking wind and a running sea, the submarine was advancing at half-speed and finally was compelled to lower its speed until it was barely able to maintain its advance before a swelling sea. The barometer, moreover, was falling steadily from its previous 745 millimeter level.

Sighted—A Whale

Suddenly, the lookout shouted: 'Submarine sighted 30 degrees to port, one hundred meters ahead." Binoculars instantly were focused on the object and the first to discover what the cause of the commotion was the commander himself who said:

"It's just a fish—a whale." The keen, alert eyes of the commander had spotted it—a large whale, perhaps about one-third the length of the submarine itself. With its black colored back showing above water, the whale was nonchalantly circling about the craft with no intention, it seemed, of leaving the ship.

"It's a good omen—a sign of good fortune," the commander said, making one recall, that before our departure from our home port he had expressed his conviction that this time we would be sure to hit either the Saratoga or the Lexington.

The storm, however, continued to rage for two days and two nights and then swept past us headed in the direction of Hawaii. In the wake of the storm followed days of calm sailing. With our approach to Hawaii we ceased our surface-cruising during the daytime and with every dawn we submerged until evening when we came up to the surface to continue our course.

Fresh vegetables were consumed within 10 days after leaving our base and now only onions and potatoes were to be had, although there was a mountain of canned goods stacked in the hold of the ship.

Trying Routine

The amount of exercise we had daily was confined to a matter of a few hundred meters or so. With a limited supply of water on board, it was impossible to wash oneself or one's clothes, although we were caked with dirt, sweat, oil and grime. Mornings did not find us washing our faces nor brushing our teeth. We had no morning, noon or evening aboard ship, lighted as we were day and night by electric lights. Dressed as we were we got up to man our posts and after our watch was over, we returned to our bunks to sleep. Such was our daily routine aboard a submarine during war.

"Look at this dirt—so thick that when I rub a spot it leaves fingermarks," one sailor remarked. Yet aboard ship there was not one who complained. Cheerfully, happily we went about our duties and in the spirit of one large family we conquered the difficult life aboard a submarine for the ways of a model soldier of the Imperial Forces was always our prime concern.

In that part of the northern water in which we were cruising, the sun went down at 2 o'clock in the afternoon, leaving us alone with the myriad of lights from the stars twinkling above in that cold wintry sky. At 6 o'clock our craft cleft the waters above in two and appeared on the surface. In the center of that evening sky rode a moon almost at its full, ringed by a white circle of clouds characteristic of the moon in those heavens.

Work in Dimness

Day after day in that dimly lighted interior of the submarine, purposely kept in semi-darkness to avoid any unnecessary rise in temperature, we persevered in our tasks. Over that wide expanse of restless waves from morning until night, we depended only upon our one periscope in keeping constant vigil for the enemy aircraft carrier which we knew not when it would appear and for which a network of patrols had been thrown out.

The commander and the officer of the watch were the only ones allowed to gaze through th periscope,

The other members of the crew were aware only of the waves slapping against the sides of the craft. Without candy or tobacco which was forbidden aboard ship, those members of the crew such as engineers, wireless officers and the like who were unable to go outside to the deck, continued their existence with only pages from old magazines to compensate for the tedious hours on duty.

"Look, fellows! We can see the moon! Look at it!"

"Yes? Let me take a look. Ah, it's been a long time."

"Wait, it's my turn now. Come on down quickly and let me take a look, now."

"Hold on there! Get in line, we go up in turns."

Such was the conversation after spending long hours submerged under water since early dawn that morning. But when we did float to the surface we were chagrined at the sight of the moon. For to a submarine a moonlit night is the most dangerous for cruising after nightfall because of greater chances of being spotted by either a patrol boat or aircraft. On moonlit nights, therefore, we cannot even go above deck to take our turns in smoking.

So on this night we merely opened the hatch to allow fresh air to circulate through the craft, but even this was carried out with utmost precautions and with preparations for a sudden submergence of the craft. On this night the moon was at its full and its direct rays slanted into the craft. To the sailors who had not been outside for long periods of time, it was but natural that they should be happy at the sight of the moon.

Orders Come Flashing

Just when tedious, uneventful days were getting on our nerves after many days of cruising since leaving our base, orders came flashing in to us from the flagship.

"Proceed under full speed and take your position."

It was an order which came almost immediately after one of our fellow submarines, which had been cruising off a certain coast and headed for southern waters, sank the U.S.S. Langley. That news served to heighten our morale considerably.

A certain day in January found us able to cruise on the surface of the water during daytime. With Hawaii many leagues away and the dangers arising from enemy patrols and aircraft proportionately lessened, our commander brought the sub above the surface into the blinding glare of the sun. Those who went up upon deck wore sun glasses and altogether presented appearances of tuberculosis patients going out into the sun-room for their sun bath. Under the brilliant rays of the sun, begrimed and oil-stained members of the crew basked in the warm sunlight which they had not seen in many a day. Their sallow complexion discernible even under the whiskered, unwashed faces mutely testified to their days of hardship.

"Airplane sighted on the horizon, 30 degrees to starboard."

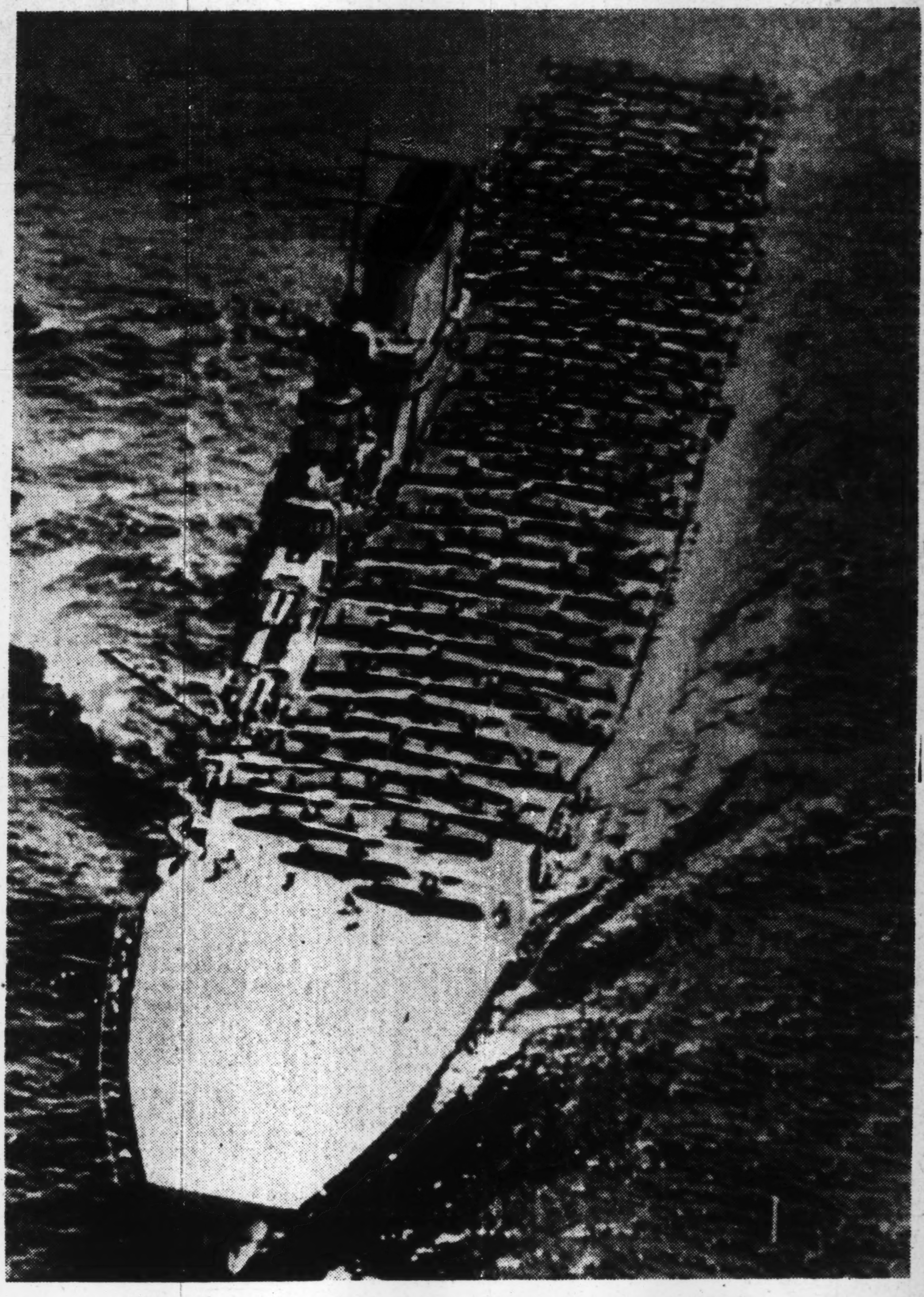
The metallic tone of the lookout sounded like the voice emanating from an evil spirit to those sailors enjoying their much-awaited sun bath. It was exactly 5:30 o'clock.

Submerge!

"Prepare to submerge instantly!" Into the hatch tumbled the crew and with valves wide open the submarine went under water like a huge whale. Through the periscope sticking out of the water like the neck of a wild goose, the commander of ship gazed at the plane which seemed not to have noticed our presence and disappeared into the horizon once more.

We did not give the enemy plane much concern and dismissed it as a plane which most likely had come from the vicinity of Johnston Island. (Later we were led to believe that the plane was from the Lexington.) With a feeling of relief that the enemy was now out of our sight, we continued our cruise on the surface.

Another warning from the lookout—"One flying boat sighted on the horizon!"—made us instantly submerge again, only to reappear on the surface of the sea soon after the all clear. Despite our submergence and re-appearance above water on four different occasions, it was interesting to note that some



The U.S. aircraft carrier Lexington—Now in Davy Jones's Locker.

of the members of the crew began to feel giddy from over-exposure to the sun and wind in their short periods of basking in the sun.

One hour before sundown, the lookout suddenly shouted, "Enemy plane." Almost directly in line with the stern of the submarine could be seen a large carrier-based plane flying at an altitude of approximately 7,000 to 10,000 meters. (Later observation led us to believe that this plane was on patrol duty in the inner-defense line of the Lexington.)

"Submerge instantly!"

Submarine Is Unnoticed

As fortune would have it, with our backs to the setting sun, the enemy plane could be discerned clearly from the submarine in the blinding glare of the sun while visibility from the enemy plane in our direction was most difficult. The enemy, thus, failed to spot us.

With the disappearance of the enemy, the Commander brought the submarine to the surface once more. The waves above the submarine splashed over the sides of the craft like a cataract as we cut the surface of the sea. It was a magnificent sunset which greeted us. Silver and gold rays of the setting sun streaked across the horizon in myriad array.

Just when visibility in the gathering dusk was becoming increasingly narrower the lookout's voice broke upon our ears.

"Enemy patrol vessel sighted 30 degrees to starboard."

"From the looks of the super-structure it appears to be an aircraft carrier," the Commander declared as he intently surveyed the enemy.

Approximately 800 meters ahead of the carrier a large-size cruiser could be seen coming ahead. Behind the aircraft carrier two destroyers were on guard.

The Commander instantly made his decision to attack the aircraft carrier. The submarine slipped underneath the waves into the murky waters. Tension gripped the crew this moment—this moment for which they had waited patiently for so long. From time to time the Commander raised the periscope to take observations on the direction the enemy was taking. With exact precision he calculated the course and the speed of the enemy.

Timing the Attack

Just then, the enemy cruiser swung sharply to the left, leaving the aircraft carrier exposed to us and practically asking for an attack. Meantime, the enemy fleet was steadily advancing toward us in direct line. From the white wake of the enemy fleet, the Commander estimated their speed to be between 14 and 16 knots.

"Use all torpedo tubes. Enemy speed fourteen knots. Our speed . . . depth. . . ." The commander barked out his orders to his crew which manned the torpedoes, took careful calculations, adjusted the timing gear and stood by after completing all necessary preparations.

Dusk had descended over the water. There were no fears that our periscope would be spotted by the enemy, as we were situated east of the enemy fleet. The last dying rays of the setting sun, moreover, left the huge form of the aircraft carrier silhouetted against the evening sky. The time for the attack perceptibly drew nearer. The firmly drawn lips of the Commander moved.

"Ready . . . . Fire!"

With a swishing sound the torpedoes streaked out from the submarine. So close were we that the underside of the enemy carrier's flight deck could then be seen in the lens of the periscope.

The submarine immediately submerged. Inside the craft deathly silence reigned. Five seconds, ten seconds . . . . to those who were praying for a hit each second seemed like a lifetime.

Explosion

At that moment a flood of relief permeated the ship as the muffled roar of an explosion seemed to well out from the sides of the ship. Another second, two, three—then another sound of a heavy metallic-like explosion hit the submarine.

"It's a hit—a direct hit" The entire crew jumped up with excitement.

"Vibrations from the enemy carrier have faded away," exclaimed the man at the audiophone. That was adequate proof that our torpedoes had struck their mark. Our craft already was heading in a certain direction and making our getaway.

Two more muffled explosions rent the waters asunder and heavy underwater waves struck the submarine. It came exactly seven minutes after the first explosion. Were they from depth-bombs? But they sounded too loud for depth-bombs. There was no mistaking it. It must have been the magazines of the aircraft carrier which were touched off by the initial torpedo charge. In trying to succor the carrier, most likely the enemy destroyers had no time to launch a depth-bomb attack.

With our mission successfully completed, we were now headed for our home port. Seagulls soon followed the wake of our ship as we began to churn the waters of the Japan Current, happy in the thought that soon we could see once more the sublime form of Mt. Fuji.

NIPPON ENVOY TO PEKING RETURNS TO CHINA POST

Shiozawa Conferred With Minister Aoki on Relations With Nanking

Rear-Admiral Kiyonobu Shiozawa, Japanese Minister in charge of the Peking Office of the Japanese Embassy in China, who has been in Tokyo since January 19 to confer with Greater East Asiatic Affairs Minister Kazuo Aoki and Vice-Minister Kumaichi Yamamoto as well as other authorities concerned on the relationship between China and Japan arising from China's participation in the war, returned to his post on Thursday, Domei reported.

It is generally considered that as the result of his conference with Minister Aoki, Rear-Admiral Shiozawa has arrived at definite measures to be taken in connection with economic and diplomatic policies toward North China consequent upon the great turning point in Nippon's relationship with China.

Meanwhile, it was learned that Japanese Ambassador to China, Mamoru Shigemitsu, is expected to visit Tokyo either at the end of this month or early next month to confer with the Tokyo Government on various matters.

Patriotic Drinking Evolved

Sake dealers in Sasakawa-cho, Chiba Prefecture, have a novel plan to increase the sales of war bonds. With each purchase of rationed sake, the customers are made to buy either baby bonds or "bullet stamps," according to the Tokyo Shimbun.

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Full Story Revealed of Disguised Unit Which Routed Communist Army

During the operations in the Shansi-Hopeh-Honan sector last May, Lieutenant Shigeo Masuko disguised his men in the clothes of enemy prisoners, and by means of a bold single-handed thrust into enemy territory, carried out a brilliant coup against the headquarters of the 18th Communist Army. As announced by the War Ministry last November 13, Lieutenant Masuko was awarded a citation, and the fact was brought to the notice of His Imperial Majesty.

The Masuko Vanguard

Lieutenant "Tiger" Masuko lined up his men.

"Attention!" he roared out.

He looked at the electrified men, then

"You are too alert!" his voice rang out again. "Be more slovenly. Remember you are no longer Japanese soldiers.. Corporal Odagiri, your moustache is turned up. It won't do. Turn it down! All of you, remember this; no matter when or where a command is given, take care to act sluggishly! You have three days more in which to practise the art of being inefficient. Disperse!"

The men slouched off.

The real story of how Lieutenant Shigeo Masuko led his unit, disguised as Chinese soldiers, deep into the heart of enemy territory, and routed the 18th Communist Army

By TABITO MIYAMOTO
Special King Correspondent
Translated by Kenichi Otsuka

"Tiger" Masuko—that is the cognomen Lieutenant Shigeo Masuko won for his daring on the Shansi front. About 10:00 o'clock one night shortly after the battle of Tsechietsun, I called on him in a dilapidated dwelling at Lingchuan, a small town in the Tahsing-shan range. The town had just been occupied by the Imperial Forces. It was clear of people. Dogs and cats, reduced to the skeleton, were prowling about for food. But enemy remnants were still lurking furtively around the town.

I found the Lieutenant squatting with crossed legs, eyes closed, head down, before a small desk on which were several plain wooden urns containing the ashes of his beloved men who had fallen in the battle of Tsechiehtsun. A candle, an incense and a nameless flower thrust in an empty bottle—such were the offerings. The candle light left a deep touch of pathos on the officer's bearded face as he sat lost in meditation.

After offering a sincere prayer to these gods of the country and consoling the Lieutenant for his sorrow of losing his beloved men, I stated my mission.

"Ho! You have been dispatched by the King magazine? I owe a debt of gratitude to your magazine for a kindness done to my brother." "My brother," he continued, "is a police officer in Tungpientao, Manchoukuo. The year before last he defeated a bandit chief, Yang by name. I read an account of it in the King magazine three years ago at the front. It almost brought tears of joy to me!"

"J-j-just a minute, please!" I ejaculated.

It was none other than I that wrote the story about the punitive campaign against Yang. What a coincidence that the hero of the story is the brother of this Lieutenant! I briefly told him of it, adding, 'And I met your brother in Tungpientao!" The Lieutenant was left in round eyed wonder, apparently incredulous. The next moment he gripped my hand firmly. "So! You penned that account! Why, this world of ours isn't so wide, after all!" We were filled with indescribable emotion.

"I feel as if the departed souls of my fallen subordinates had led you here!" the Lieutenant said.

"Miyamoto-san," he opened his mouth again, staring fixedly at the urns, "they were heroes, indeed, these men who now rest here. They died valiantly in the present operations on Tsechiehtsun. In the last battle they had all rendered peerless services. Whether as a tribute to them or as a passing topic at a wake, let me give you a recountal of their bravery. . . ."

"What would I not give to hear a story like that! That's just what I am here for, Lieutenant."

We sat face to face on the mat spread on the floor, the urns before us.

The Campaign

"'Matchlessly thrilling'—if there ever is such a phrase in use, it must have been made to order to describe that campaign." With this preamble, the Lieutenant fell to talking.

In the middle of May of a certain year, an unnamed unit of the Imperial Forces launched operations to annihilate the enemy's 18th Communist army which, falling back on the natural hazards in the southern part of the Tahsing-shan range, had been putting up tenacious resistance. This marked the inception of the so-called second campaign on the Shansi-Hopeh-Honan border.

"The Masuko Unit shall, previous to operations by the main force of our Corps, spot and effect a surprise attack on the headquarters of the enemy's 18th army. It shall then thrust deeper into the enemy, disturb its system of command and smash its fighting strength." So read the orders given to Lieutenant Masuko.

He made a full determination. Calling together his subordinates, he read the orders, after which he gave them these instructions: "The object of our action, as is stated in the orders, will be to locate the enemy's headquarters in these wide mountain ranges and then attack it unawares and thereby destroy its command. We must thrust deep into the enemy line. But our attire would prevent. I have hit upon a ruse. We will go in the guise of enemy soldiers!"

Go Disguised!

Every one was left open-eyed.

"I tell you how to do it," the Lieutenant continued. "The other day we took a certain number of enemy soldiers prisoner. We change into their uniforms."

"We use not only their uniforms," he went on, "but their arms and everything else, except that you should each carry your Japanese sword in disguise. Further details will be given by the respective sub-company leaders. You have three days in which to make preparations."

"Hey! It's a nice fit, that uniform of yours!" Sergeant Matsubashi chaffed Sergeant Hatakeyama in similar attire. "You look just like a Chinese soldier!"

"It's for me to say! Have a look at your face. It is just like that of a Chinese soldier!"

"Ha ha, ha!"

"Ha ha,, ha!"

A storm of laughter arose here, there, everywhere.

"What a pity! None fits me!" It was First-class Private Makino, an ex-wrestler, running to and fro in confusion.

"Say, Mister Prisoner, teach me how to brandish this Chinese sword of yours," a young Second-class Private said in dead earnest.

The arms that had been captured from the enemy were now being distributed to our soldiers for them to do their "make-up."

"What! Corporal Ishida, your rifle is. . . . Why, it's a single-loader. An antique!"

"My! Your rifle and mine differ in length. What! Look! Yours is the 1900 type. Mine's the British 1910 type. Just like an exhibition of antique arms of the world."

"Special Service Sergeant-Major Inomata, I don't know how to handle this rifle of mine, sir!" complained another young Second-class Private.

"Let me see. Oh, I see. Of what make is it? H'm! How do I load? Oh, I don't know myself." The bearded Special Service Sergeant Major burst out laughing.

Line-Up

When the change of uniforms was about finished, "Line up!" came. The soldiers in a variety of fantastic attire lined up in the plaza in front of their quarters.

Fatty First-class Private Makino in a woefully undersized uniform holding a Chinese sword and standing stiffly at attention was most comical to see.

The line-up over, Lieutenant Masuko, also in the uniform of an enemy officer, came before them, smiling. "A word to you," he said, "You lined up too fast!"

". . . ?"

Barely choking down laughter, the Lieutenant continued: "From today you are enemy soldiers. Be more slovenly in both speech and manners!"

Pent-up laughter burst out.

The Lieutenant, himself holding his sides laughing, went on: "Listen! merely to appear in enemy uniforms isn't sufficient. You must imitate the enemy's manners and expression lest you should be seen through. Be as slow and loose in your manners as you can. And . . . Corporal Odagiri, your mustache is upturned. That won't do. Stroke it down!"

Another convulsive laughter.

"Attention!" the Lieutenant commanded all of a sudden. They stood stiffly at attention, as if electrified.

"Won't do!" another scolding. "That won't do. No matter when and where a command is given, take care to be slovenly. Every one of you will go to the war prisoners and study their manners carefully! You have another three days in which to learn the knack."

Dismissed, the soldiers began a study of the manners and behavior of enemy soldiers.

Learning to Be Slovenly

"A hard job for us! For Japanese soldiers nothing is easier than to be energetic and prompt. But to practise sluggishness—it's a tough job, eh!" the soldiers would say to one another. Making much ado, they began to "correct" their behavior. Gait, the holding up of rifles, dressing salute and everything else were required to be sloven, slouched!

In the meantime, actual training in the imitation of enemy soldiers was given by members of the Special Duty Corps. This Corps was made up of former enemy soldiers who have surrendered and pledged allegiance and are now engaged in military action in cooperation with the Imperial Forces for the construction of new China. Themselves formerly enemy soldiers, they knew the drill the manners and general behavior of the enemy troops. This was a boon.

For three days the stalwarts under Lieutenant Masuko underwent the training in earnest. One insurmountable difficulty was encountered—the language barrier. The language could certainly not be mastered overnight. There were some good in Chinese, to be sure, but the tongue spoken by Japanese was easily recognizable as such by Chinese. For this reason, the prudent Lieutenant took the precaution of (1) enjoining his men to remain dumb even if spoken to by Chinese during the march and of (2) detailing here and there in the march formation Chinese members of the Special Duty Corps who were to do the talking when they must.

The Start

At dusk on May 21 the whole force of the Masuko Unit was lined up before its quarters, ready to start out on its mission. Daring officers who were expert swordsmen nicknamed Tengu—(legendary Japanese goblins said to be fencing masters), non-commissioned officers and privates, expert in bayonet exercise and marksmanship and others, all death-defying, were clad in enemy uniforms. And what a motley of arms they carried! Antique single-loaders, curio-like rifles of British make. Chinese halberds, efficient light machine-guns of Czecho make, etc., etc. Some purposely went without swords or rifles but only with hand-grenades. It was all higgledy-piggledy. And they did look like enemy soldiers!

Said Lieutenant Masuko: "Important instructions to you. Listen carefully not as enemy soldiers but as Japanese soldiers!" whereupon all stood motionless. "We are now off for the enemy line. Weighty, indeed, is our mission. The success or otherwise of the surprise operations will decide the success or failure of the annihilative campaign to be started against the enemy's Communist troops in this Shansi sector. We mean to stake our lives on our mission. . . The formation during the march will be like this," saying which the Lieutenant produced a sheet of paper.

"A Chinese guide will head the formation, followed by a member of the Special Duty Corps with Interpreter Chang behind him. These vanguards will answer if accosted or addressed by Chinese on the way. The main thing is that enemy soldiers or strangers must not be given a chance to address the Japanese soldiers. Got it?"

"Yes, sir," replied the Special Duty Corps man and Interpreter Chang, both well up in Japanese, with full confidence.

"Behind Interpreter Chang will be Gendermarie Sergeant-Major Amemiya as the vanguard leader," the Lieutenant continued. "I will follow him. Keeping after me will be the First 'Quartette of Deva kings' under Sergeant Hatakeyama, the Second 'Quartette' under Sergeant Matsubashi and then the First sub-company under Sub-Lieutenant Sasaki in the order mentioned."

The formation of the whole force was then completed, mixed here and there with Chinese to enable quick response in the event of being accosted by the enemy at any turn and at any time.

Observe These Rules!

The Lieutenant went on: "Here are the rules for you to observe during the march. First, during the march, the Japanese members of the Unit must not utter a word, except by permission. Second, if and when challenged by enemy soldiers, the interpreters and the Special Duty Corps men shall answer, saying, 'We belong to the 385th regiment and are from Yushe,' and preclude the enemy from speaking to the Japanese soldiers. Third, if the enemy should see through our identity and we perceive ourselves to be in danger, the Commander will shout 'You beast!' whereupon such and such squads will jump out of the formation and slash or else shoot the enemy to death outright. Fourth, 'You beast' and 'You rascal!' shall be our pass-words in case of a hand-to-hand combat so as to avoid killing among ourselves."

Then, straightening himself, the Lieutenant said solemnly: "Fifth, if any one of us should be wounded by enemy bullets and judge that he is incapacitated from participating further in the march, he shall dispose of himself, less he should be a drag on the whole force. Get it? Your lives are entrusted to me, and mine is entrusted to you! We do not expect to come back alive. Here are a couple of notebooks. Write your last words to your families in them.

Your Goal Is Here!

"Before that, I will show you our goal. To lick Chu Te, commander of the enemy's 18th army; Pang Te-huai and Chin Yung-te, vice-commanders; and Tso Chuan, chief-of-staff—that is our objective. These four here.

"In the daytime we will hide in the mountain. We will march by night and, reaching the enemy headquarters, raid it in a night-attack.

"I give you these white cloths for you to wear on your backs as our mark of identity at night. The figure of a 'torii' on them, needless to say, is drawn after the 'torii' of the Yasukuni Shrine. Every one shall do his duty, expecting to meet again at Yasukuni!"

Inflexible determination was seen in every one's eyes.

"Now, leave your last words in these note-books," The Lieutenant handed the two note-books with a writing brush and an Indian inkhorn to his men. The stalwarts penned their last words, passing round the note-books to the next man as one finished writing. When every one had written, the notebooks were returned to the Commander, who began to read them aloud.

"'My duty shall be done.—Zensaku Yoshida.' Good. 'Not mine the life. Death is light as a feather.' Corporal Shibata, you are still a poor calligrapher!"

"Ha! I have had no more than elementary school education. I am sorry for my execrable calligraphy, sir!"

"Never mind! It's the spirit that counts. Whose next? 'Vanish will I as the clouds over Tahsing are scattered in the wind.' This is by Superior Private Ishigooka, eh? Say, Ishigooka, this is a fine poem. When did you learn such a feat?"

"First time for me to compose a poem, sir!"

"Very good for an initial product."

"A plagiary from the last work by Lord Asano Takumi-no-kami, sir!"

Every one burst out laughing. But it was no indiscreet laughter.

"Corporal Hikage, you have written in the Tohoku (north-eastern part of Japan) dialect. 'Gladly will I die.'"

"Sorry for using the dialect, sir."

"Never mind! My! this one's still worse, and written in kana, at that 'To die for the country is my greatest joy.' First-class Private Makino, are you illiterate except in kana and in your dialect?"

"Ha! That's only what my mother can understand. She can read kana only, sir."

"I see," the Lieutenant lowered his voice in spite of himself.

At 9:30 p.m. on May 21, the Unit in a mixture of single and double formations extending 800 meters started out.

On the Road

When they had proceeded about 15 kilometers of a steep mountain road, they reached a hamlet, Lungtse by name. They found the inhabitants making preparations to flee, loading their property, furniture, utensils, etc., on donkeys and waggons. Accosting one of them, Interpreter Chang asked him what was the idea.

"Chinese soldiers have just been round here, sir, announcing that Japanese troops are on their way here and telling us to flee," he replied.

"Foolish! It can't be. We are Chinese soldiers belonging to the 385th regiment. We didn't see a shadow of a Japanese soldier on our way. You need not flee."

"No, sir, we hate to be in the fires of war. We'll take refuge in caves in the mountain tonight." The farmers one after another ran away toward the mountain.

This surprised Lieutenant Masuko. "Men," he said, "the enemy, apparently, has already got wind of our coming. Maybe there were enemy spies among our coolies. Well, we must be on our guard."

Proceeding about another 10 kilometers, they came to a height at dawn the next day. Suddenly, machine-gun and rifle fire came from a height beyond.

"Shall we return the fire, sir?" some one asked.

"Don't, or else all the pains we have taken in coming out in this disguise would come to naught. Never mind, go straight ahead."

Taking shelter down in a recess, they made a detour, headed for their destination.

They marched on, taking sound sleep in ravines from morning to dusk.

At dusk that day they accosted a farmer and questioned him about the situation at Wuchunszu. The enemy's headquarters, he said, apprised of the advance of Japanese troops, had fled in the direction of Licheng in the south.

The farmer had not lied. Wuchunszu had been completely deserted when they raided it that night.

The Game's Up

Nothing daunted, they changed their course and went up north with the intention to steal a march on the enemy at Kuochiayu, the enemy's likely route. Negotiating steeps and treading precarious mountain paths, they approached Nanyen, a hamlet, about 4:00 a.m. The van of the formation was about to enter the hamlet, when "Who goes there!" came in the dark. Bayonets rattled. They had now bumped into genuine enemy soldiers. Four or five enemy sentinels could be seen.

"Where are you from?" they demanded.

"We belong to the 385th regiment at Yushe. And you?" replied Interpreter Chang who was at the head.

"The vanguards of the Chingchung contingent."

What! The Chingchung contingent was among the crack forces of the Communist army. Something had to be done to find a way out before dawn broke.

"May we pass?" a Special Duty Corps man asked.

"No! Bring the officer in charge. We must question him!"

"The game's up. We'll make short work." Lieutenant Masuko made up his mind. Under cover of darkness, he poked Sergeant Hatakeyama behind him and whispered to him: "If absolutely necessary, we'll finish them."

The Sergeant was about to stride forward, when, "Stay back or we'll shoot! We want only the commander!" the enemy sentinel shouted.

"Wait! The commander is far in the rear. He'll be here presently," quick-witted Interpreter Chang said.

Then, rushing back to the Lieutenant, he whispered: "What shall we do, sir?"

The Lieutenant ordered the First and Second "Quartettes of Deva kings" to turn to the left and right, respectively.

"Where's the commander?!" the enemy sentinel thundered out. He would have at any moment.

"Just a second. He'll be here."

Stifling tension prevailed. One minute passed, another.

"Not yet?!" the enemy sentinel howled impetuously.

"You beast!" came from Lieutenant Masuko in that same instant. Eight men sprang up and surrounded the enemy sentinels. Naked swords glittered in darkness. Three or four enemy soldiers fell instantly, shrieking and groaning. One of them, however, slipped through his comrades and scuttled away with the alacrity of a squirrel, firing his revolver.

"Break through! That's the only way! I mean to storm Nanyen! Follow me! Don't forget the pass-words!" the Lieutenant shouted.

Slashing and stabbing the panic-stricken enemy soldiers, the Lieutenant and his men broke through Nanyen without any casualties on their side.

Enemy Headquarters

In the adjoining hamlet of Nanpo too, they were confronted by enemy sentinels. "You see," the Lieutenant whispered to the interpreter, "this time you question them point-blank before they do you."

"Who goes there!" quick-witted Interpreter Chang shouted at the enemy sentinels in the face.

"We are of the headquarters of the Chingchung contingent."

"Show me your evidence, then!" Chang roared.

"And where are you from?" the enemy sentinel demanded while producing something like evidence.

"We belong to the 385th regiment. Mind you, the Japanese were raiding Nanyen just there. Be on your guard."

'So! We knew the Japanese were coming. Be careful, you, too!"

"Right. We'll go."

In this way, Lieutenant Masuko and his men marched truimphantly and with total unconcern under the very nose of enemy sentinels and got clear of Nanpo.

When they had advanced about 500 meters, however, they heard shots. "Ha, ha, ha! Conscious at last, the simpletons" they laughed and continued their journey onward toward Kuochiayu.

Sentinels Again

For another three days they kept up their difficult march. The rice-balls, enough for two days, had been exhausted long ago. They took to biscuits and water.

Three days after they left the last barrier—Nanpo—they came to Chienmiao, a small village, where they were again up against enemy sentinels.

"We are of the 385th regiment," replied a Special Duty Corps man on being challenged.

"Bring the commander."

"The commander is far in the rear. Wait a while."

Making up his mind that further conversation would be of no avail, the Lieutenant poked one of his men and beckoned to another with the intention of sending them and their squads to the rear of the enemy.

"Hey, hurry up! What are you sleeping about?" the enemy sentinels howled.

Interpreter Chang, who happened to be in the rear, came bravely forward and planted himself before the enemy sentinels.

"Here!" he shouted. "I am the commander of the 385th regiment. None of your impudence to give me orders!"

Apparently frightened, they receded a few steps and began to whisper among themselves, when, without warning, they were pounced upon by Japanese soldiers. Three or four of them were felled instantly. Another was daring enough to resist with a revolver. One of the shots hit Sergeant Hatakeyama in the left thigh. "Confound it!" Sergeant Hatakeyama reached out his sword as he fell and thrust his shooter in the side. Two others, breaking through our ring, fled headon into Chienmiao. When Corporal Hikage was giving first aid to Hatakeyama, however, the enemy in Chienmiao showered a volley of fire.

Braving the gunfire, the Japanese stalwarts broke into the village and annihilated the enemy there, an undisclosed number strong.

Wounded Hero

"Sergeant Hatakeyama here?" Lieutenant Masuko called out when the Unit was going to leave Chienmiao behind.

"Here, Sir!" came Hatakeyama's painful voice in darkness.

"Oh, Hatakeyama! How is your wound? All right?"

"Ha! All right, sir!"

"If you have been done for, immolate yourself. I will assist!"

"Ha! I can still barely manage to walk. No, I don't begrudge my life, never. Only, I want to lick some more of them before I die, sir!"

"All right, follow me! Some one will offer his shoulders to Hatakeyama!"

"Come on, hold to my shoulders!" Sergeant Matsubashi offered help.

"No thanks. I'd rather dispose of myself than be a drag on my comrades!"

"No ceremony, Hatakeyama!"

"No, I mean to stand on my own feet." Hatakeyama declined the offer. Then, leaning on his sword, he dragged on in company with his comrades.

Crossing valleys and climbing up cliffs, they marched on for another couple of days. Hatakeyama still remained at the head of his squad.

"Tengu—that you are, Sergeant Hatakeyama, you are remarkably enduring, sir," said Corporal Ishida.

"This is nothing! I can't die before I have licked another 58!"

With his characteristic endurance, Hatakeyama climbed down the mountain apace. His was superhuman will-power.

Near the Goal

Kuochiayu—their goal—was now near.

At dusk on May 27, a week after leaving their station, the Masuko Unit reached a plateau within a short distance of their destination. Lo! the bottom of the valley below, the hills beyond, the villages around were all black with enemy soldiers. The enemy headquarters! The size of the force and the numerous rows of transports clearly told it. Every one was highly strung, forgetting his hunger and fatigue.

"At 10:00 p.m. tonight we will advance on Kuochiayu! In and around Taiyentsun, on this side of Kuochiayu, there are enemy camps. Do not mind them. Get as near Kuochiayu as possible and raid the headquarters!" the Lieutenant ordered his men.

The hour came. Going down the valley, these death-defying stalwarts marched along the path leading to Kuochiayu. Small enemy units were encountered now and again. But they were invariably hoodwinked by Interpreter Chang, who would greet them with "Thanks! Thanks!" or "Hey, Japanese troops are coming! Better retreat along with us!"

Taiyentsun was teeming with enemy soldiers. They were simply deceived by the Special Duty Corps men who kept on singing the enemy's military song as they went along.

When they had advanced to a point about 500 meters of their destination, they were challenged again by enemy sentinels.

"We are of the 385th regiment from Yushe. We are on our way to the headquarters of the 18th army. Is His Excellency Chu Te in?"

"Yes, His Excellency is in," replied one of the enemy sentinels.

. . . . ! The goal was before their eyes!

Trouble arose. Four or five enemy soldiers who emerged from the side went down to men of our First Sub-company and asked. "Where are you from?" To make matters worse, no Special Duty Corps men happened to be on the spot. Finding the Japanese soldiers flurried, the enemy grew suspicious and cried out: "Hey, why don't you answer?!" Members of the Special Duty Corps rushed up and answered, "We are of the 385th regiment," as if to plead for the Japanese soldiers. But it was too late. Elbowing aside the Special Duty Corps men, the enemy soldiers roared: "You deaf? Say something!"

Charge!

The game was up. "You beast!" came from Lieutenant Masuko. In the same instant, enemy soldiers yelled here and there.

Revolver shots were heard. They were danger signals shot by enemy sentinels. "Japanese here!" shouted one of them as he took to his heels "Look out! Japanese are in our uniforms!"—this shout was distinctly heard by Interpreter Chang. He told the Lieutenant so.

"Can't help!" said the Lieutenant, "Having come thus far, we don't mind if our identity has been bared Final charge—that is our last resort!"

A charge on Kuochiayu was ordered. Simultaneously, a volley of enemy gunfire roared.

But . . . The fact that our ruse in coming in enemy uniforms was seen through was a serious disadvantage to us, to be sure, but all the same, it aroused unexpected confusion in the enemy camp, according to one Li, an enemy officer, who was taken prisoner in the night combat.

That night, he, Li, with the force under him was defending a height to the south of Kuochiayu. He sent ten of his men to the headquarters at Kuochiayu village for liaison purposes. When these men had gone down the height and were about to enter the village, however, they received a shower of fire from comrade sentinels.

"Don't shoot! We are comrades!" these orderlies shouted. But the panic-stricken sentinels mistook their comrades for Japanese in disguise and went on firing with a vengeance. So fierce was the fire that Li's orderlies now mistook the comrade sentinels for Japanese, thinking that the Japanese had already penetrated into Kuochiayu. They returned the fire: killing between comrade forces ensued.

Two or three of Li's orderlies ran up the height again and reported to the officer: "Commander Li! The Japanese have already entered Kuochiayu! Our headquarters seem to have made a retreat, sir!"

Li lost no time in ordering his men to fire on Kuochiayu. This the headquarters at Kuochiayu mistook for Japanese action. "The Japanese are already on the southern height! Fire!" A fierce combat ensued between Li's force and the headquarters at Kuochiayu.

Soon the "southern height" and the "northern height" forces began firing on each other. Finally, it developed into a veritable melee among the "southern height" and "northern height" forces and the headquarters.

"Ha, ha, ha!" "Ha, ha, ha!" Lieutenant Masuko and his men were convulsed with laughter at the scene.

"A fluke!" "The enemy no longer believe themselves any more than they do us. Look! they still keep on fighting among themselves."

Finale

"Charge while the pandemonium is on!" commanded Lieutenant Masuko, brandishing his sword aloft.

The moon had risen. It was bright.

"Look here! We are in the same attire as the enemy. Be very careful and don't do killing among ourselves. Don't forget the pass-words!"

Our stalwarts, with white "identification" cloths marked with the torii of Yasukuni on their backs, charged with a roar into Kuochiayu. Consternation became worse confounded. The enemy, having prepared no identification marks or pass-words, were utterly at a loss to distinguish between comrades and foes.

They fired blindly at anybody and everybody around. The melee reached its climax. Amid the turbulence our soldiers ran amuck, slashing, stabbing, thrusting. The Special Duty Corps men also raved about, shouting "You beast!" and "You rascal!" in shaky Japanese. Sergeant Hatakeyama, despite his wounds in the left thigh and on the breast, brandished his sword and cut down enemy soldiers, now staggering, now falling. His bravery would have made even demons weep.

The night at Licheng wore on before we knew it. Having finished his lengthy recountal, the Lieutenant added:

"The next morning we found heaps of corpses of enemy soldiers at Kuochiayu. The biggest fish, Chu Te, the commander, had fled. Pang Te-huai, vice-commander, was wounded but made good his escape. Chin Yung-te, also vice-commander, and Tso Chuan, chief-of-staff, were found dead. Whether they were killed by our bullets or by their own we had no means of verifying. At any rate, we were able to fulfil our duty to disturb the enemy's system of command and smash its fighting strength."

Then, turning his mournful eyes to the ashes of his fallen subordinates, the Lieutenant concluded:

"In the raid on Kuochiayu there were no casualties on our side with the only exception of Sergeant Hatakeyama's wounds. But in the present combat at Tsechiehtsun, Superior Private Ishigooka did vanish as the clouds over Tahsing, while Corporal Hikage who wrote his last words in his dialect and Corporal Shibata, the 'execrable calligrapher,' also laid down their lives. They all met glorious ends and now rest here!"

Sitting up, the Lieutenant bowed his head and offered a fresh incense before the urns. I bowed, and offered a long prayer.

Citation Awarded to Lieutenant Masuko

Lieutenant Shigeo Masuko, of the Yoshino Unit

When operations were launched in the Shansi-Hopeh-Honan sector in the early part of May, 1942, the above was selected as leader of a plain-clothes reconnaissance unit.

Hiding deep in enemy territory for over a month, the above by daring and swift action effected frequent surprise attacks on the headquarters of the enemy's 18th Communist Army, thereby disturbing the center of its command, and also gathered pertinent data. This contributed materially toward subsequent operations.

Later when the corps to which the above belonged started mopping-up operations, the above, what by taking many enemy troops prisoner and by spotting the enemy's huge quantities of ordnance and other war materials, achieved brilliant exploits.

Only July 1, during operations on Tsekaitsun, the main force of the 40th Army of the enemy's central army, taking advantage of the walls and falling back on final defense positions, resisted stubbornly. The above, as the captain of a front line company, took the lead in repeated attacks against this enemy force and reduced one corner of the enemy's stronghold. This made easy subsequent operations by the above's unit.

At the time of the battle of the Great Plains in 1941, the above, single-handed, made a thrust into the enemy in the sector west of Kaoping and secured the surrender of the main force of the sixth column of the enemy's central army and part of the enemy's 27th Army, a total of about 3,000.

All this is due to the fact that the Lieutenant gave full play to his strong sense of duty and a spirit of self-sacrifice. His exploits are distinguished.

Wherefore a citation is thus hereby awarded.

July 28, 1942
Army Commander

BANK ACTIVE AIDING PRODUCTION GROWTH

Parties Engaged in Expanding Nippon's War Strength Given Loans by Welfare Bank

One phase of the Government's efforts to adjust the economic structure at home in order to meet the wartime requirement is told by the figures showing the activities of the People's Welfare Bank since the beginning of the current fiscal year, says the Tokyo Shimbun.

The total amount of loans issued by the People's Welfare Bank reached about ¥180,000,000 by the end of December, 1942, of which ¥112,300,000 was disbursed for the purchase of property from 43,350 parties who were starting in new fields of activities with direct bearings on the speedy expansion of Nippon's fighting strength, while ¥76,263,000 was disbursed in the form of monetary assistance to 49,827 parties remaining in their old fields of activities in which they could make greater contribution to the fighting strength of the country than in other fields.

This means that the People's Welfare Bank disbursed in the 9 months ending December, 1942, nearly ¥200,000,000, thus making a marked contrast to its inactivity in 1941.

The parties to which the bank extended aids in the 9 months ending December last were:

Dealers in rice	¥35,560,715
Proprietors of bus services	28,766,532
Leather manufacturers	13,767,046
Paper manufacturers	4,742,479

The activities of the bank, when regionally divided, were as follows:

Tokyo—Purchase of property from 12,678 parties costing ¥32,134,000 of which the main item was the ¥91,000,000 disbursed on behalf of the Central Association for the Control of Woollen Textiles.

Osaka—Purchase of property from 12,124 parting amounting to ¥27,552,000, of which ¥18,688,000 was disbursed on behalf of the Nippon Cotton and Staple Fiber Manufacturers' Union.

Nagoya—Purchase of property from 4,693 parties at a cost of ¥9,390,000.

Greater activities are expected of the People's Welfare Bank this year in view of the fact that a large number of minor manufacturers and traders engaged in various peace-time industries are seeking new fields of activities wherein they may directly contribute to the expansion of Nippon's fighting strength.

NAGOYA BANK DEPOSITS SHOW RAPID INCREASE

A rapid increase is observed in the amount of deposits with various banks in Nagoya City toward the end of 1942, reflecting the healthy economic condition of central Nippon, says the Sangyo Keizai.

According to the figures given by the Nagoya Chamber of Commerce and Industry, the deposits at the end of December last with the savings banks and the Central Bank of the Commerce and Industry Guilds amounted to ¥1,959,549,000 showing an increase as compared with the end of the preceding month of ¥343,311,000, or 21.2 per cent.

Meanwhile, the amount of loans extended by these banks up to the end of December, 1942, was ¥814,541,000, showing an increase of ¥37,304,000, or 4.7 per cent, in comparison with the figures for the end of the preceding month.

The bills cleared by the same banks during December last were 252,131, covering ¥885,337,185.49. This shows an increase of 63,618 bills, or 32.7 per cent, and of ¥124,079,167.84 or 16.2 per cent. As compared with the figures for December, 1941, the figures for December last show an increase of 10,223, or 4.1 per cent, in the number of bills cleared, and of ¥196,998,376.72, or 28.6 per cent.

WILL ISSUE DEBENTURES

Manchuria Industrial Co. to Float ¥10,000,000 Worth on Feb. 10

The Manshu Kogyo Kaisha or Manchuria Industrial Company will issue its 14th debentures totaling ¥10,000,000 on February 10, the Industrial Bank of Japan disclosed last week, says Domei.

The proposed debentures, which are guaranteed by the Manchoukuo Government, will bear interest of 4.3 per cent per annum and are redeemable within 12 years.

Simultaneously, the Industrial Bank announced the flotation of ¥5,000,000 debentures of the Daido Steel Company with interest of 4.3 per cent per annum on February 10.

Bill Clearings

January 21

(¥ 1,000)

	Tokyo	Osaka
Bills Cleared	227,828	113,851
Balance	41,299	16,230

Manchou Womenhood Does Its Bit

Manchoukuo fully realizes its important part in the War of Greater East Asia and its women are alive to the obligations of their country to the cause of joint defense with Nippon. Shown are some Manchou girls learning the rudiments at an aircraft plant, resolved to become skilled workers and perhaps win the Nippon War Minister's decoration for industrial skill.

AGRICULTURE BODIES WILL BE BOLSTERED

Bills to Diet Aim to Revamp Major Organizations—Will Strengthen Food Supply

Reorganization of important agricultural bodies and organizations will be carried out in the course of the forthcoming fiscal year in order to strengthen Nippon's position relative to the supply of food in wartime as can be seen in the bills introduced to the Diet by the Agriculture and Forestry Ministry.

The organization, duties and enterprises of these agricultural bodies will be as follows, after the reorganization in view, says the Mainichi:

1. The Central Agricultural Association.

(1) Duties and enterprises—(a) Extension of instructions and encouragement to facilitate development of the farming industry, as well as making various preparations and arranging facilities indispensable for the promotion of the industry; (b) Arranging facilities for the control of the farming industry; (c) Investigations and research concerning the farming industry; (d) Establishment of various welfare promotion facilities for those engaged in farming; (e) Various duties and enterprises accompanying the different duties and enterprises mentioned above.

(2) Organization—The Central Agricultural Association will have the following officials: (a) One president, (b) One or two vice-presidents, (c) More than three secretaries.

(3) The president and vice-presidents are to be selected by the Ministry of the Cabinet concerned from among men of learning and experience.

The secretaries and councilors are are to be selected by the president from among men with special knowledge of and experience in farming.

2. The All Nippon Agricultural Economic Association.

(1) Duties and enterprises—(a) Making preparations and arranging equipment to facilitate the manufacture and sales of various articles by the members; (b) Making preparations for the purchase of various agricultural implements and fertilizers required by the members, as well as for the production of those things. (c) Arranging various facilities for the activities of the members.

(2) Organization—The All Nippon Agricultural Economic Association will have for its members all the agricultural associations of all provinces of Nippon Proper. Meanwhile, the agricultural associations in the urban districts are authorized to join the All Nippon Agricultural Economic Association.

(3) Officials—The All Nippon Agricultural Economic Association will have one director-in-chief and more than three directors.

(4) The director-in-chief is to be selected by the Minister of the Cabinet concerned from among men of learning and experience.

The directors are to be selected by the director-in-chief from among the candidates to be recommended to the posts at a general meeting of the members.

The director-in-chief and the director, except with the special permission of the Cabinet Minister concerned, are not authorized to engage in other duties or enterprises.

3. Agricultural Associations in Cities, Towns and Villages, and those in prefectures and provinces.

(1) Duties and enterprises—(a) Extension of instructions and encouragement to facilitate the development of the farming industry, as well as the making of various preparations indispensable for the promotion of the industry; (b) Arranging of facilities for the control of the farming industry; (c) Making of preparations to facilitate the manufacture and sales of various articles by the members; (d) Making of preparations for the purchase or manufacture of various agricultural materials required by the members; (e) Establishment of various facilities for the members, including the extension of loans.

(2) Organization of the agricultural associations in Cities, towns, and villages—The associations belonging to cities, towns and villages will have for their members (a) those who are engaged in farming in the districts in the charge of those associations; (b) those who own meadows, paddy fields, and other arable land in the districts in the charge of those associations; (c) those who are specified by Imperial ordinance.

Closing Quotations Of Key Stocks And Bonds

Yesterday's final prices of key stocks and bonds on the Tokyo Stock Exchange follow, in yen:

		Comp. with prev. day
Tokyo Exchange, new (short-term)	83.00	+ 0.90
N.Y.K., new (short-term)	77.20	+ 0.40
Kanebo Spinning, new (short-term)	74.40	+ 0.50
Gov't Bond, Kogo 5%	108.15	Same

MORE YIELD OF SAKE FROM RICE POSSIBLE

Quantity That Can Be Distilled From Certain Amount of Rice Doubled by New Process

Experts of a certain laboratory belonging to the Finance Ministry have now been well rewarded for their sustained efforts for a two-fold increase in the distillation of sake or Nippon wine from the same volume of rice required for distilling a specified quantity of refined sake, reports the Tokyo Shimbun.

The distilling process newly invented by the experts is essentially consistent with the traditional process, it is learned, but is featured by a novel though simple method of adding alcohol to the extract of yeast during the process. It is further learned that sake distilled according to the new process is by no means inferior in quality and taste to that distilled according to the traditional process.

According to the traditional process, 10 koku of rice will yield from 14 to 15 koku of sake, whereas the same quantity of rice will yield from 24 to 25 koku of refined sake if 40 per cent of alcohol is additionally applied to the extract of yeast, thereby indicating a two-fold increase in the distillation of sake from the same volume of rice required for distilling a specified quantity of refined sake.

The Finance Ministry is now working on a plan to ask about 50 distilleries in the country to boost the production of sake by using the new process, and it is expected that sake distilled according to this method will be placed on the market in the course of this year so as to appease the thirst of sake lovers.

CLOSING SPURT UPS MOTOR, FIBER WARES

Bull Tone in Osaka Cheers Tokyo Exchange as Short-Covering on

Reflecting the all-round spurt of closing prices on the Osaka Stock Exchange on Wednesday afternoon, the Tokyo Stock Exchange staged a cheery scene yesterday, and it was worthy of notice that automobile manufacturing industrials and fiber wares scored signal gains in response to the growing sentiment of short-coverings and of buying on a scale down.

In the long-term section, for example, Diesel Automobile and its new rose ¥1.90 each, Kurashiki Rayon ¥1.30 and its new ¥2.70, Sino-Nippon Spinning and Daito Spinning ¥1.20 each, Mitsubishi Electric Machinery ¥1.50, Nippon Nickel ¥1.80, Toa Tobacco, and Nippon Sand Iron ¥1.20 each, and N.Y.K., new ¥1.40.

The short-term section was steady and prime issues registered fractional gains.

The spot market was continuously active. Takamori Mining jumped up ¥3.20 at one bound, Kobayashi Mining ¥2.00, Showa Oil ¥1.50, Teikoku Mining ¥1.10, Matsushita Wireless, Tokyo Aerifiers and its new ¥1.00 each.

Long-Term Section

Yesterday's final prices of select issues in the long-term section were:

	—Delivery—		
	Jan.	Feb.	Mar.
Kanebo Spinning (50)	125.8	127.6	127.5
Sino-Nippon Spin (50)	82.3	82.8	83.7
Teikoku Rayon (50)	77.7	77.3	78.6
Kurashiki Rayon (50)	72.0	72.8	73.3
Toa Hemp Ind (50)	73.5	74.0	72.9
Tokyo Hemp Yarn (50)	95.0	95.5	95.9
Kanegafuchi Ind (50)	79.4	79.6	80.5
Showa. Elec Ind (50)	79.3	79.6	80.6
Nippon Nitrogen (50)	73.2	....	74.1
Second Section			
N. Y. K. (50)	91.6	92.4	91.6
O. S. K. (50)	84.6	85.0	85.7
Toyo Steamship (50)	69.8	....	....
Nissan Steamship (50)	65.0	....	65.7
Mitsubishi Mining (50)	89.0	....	90.6
Ishihara Ind (50)	70.3	....	71.5
Third Section			
Toyo Development (50)	....	....	....
Furukawa Elec Ind (50)	103.5	104.7	105.0
M'bishi Elec Mach (50)	128.0	128.6	129.4
Nippon Oils and Fats (50)	65.3	....	65.3
Nippon Bear (50)	94.0	94.9	93.4
Tropical Ind (42½)	41.1	....	....
Sumatra Dev, new (37.)	44.6	....	....
Asahi Glass (50)	97.7	98.3	97.0
Toa Tobacco (50)	94.3	94.9	94.9
Manchou Tobacco (50)	83.2	84.0	83.3

Short-Term Section

	Open.	High	Low	Clos.
Tokyo Exch. new	82.7	3.0	2.4	83.0
N. Y. K. new	77.4	7.4	7.0	77.2
M'bishi Heavy Ind.	95.4	5.5	5.0	95.4
Kanebo Spin. new	74.5	4.7	4.1	74.4
Teikoku Rayon. new	68.1	8.3	7.1	67.5
Hitachi Iron Works.	89.0	9.1	8.7	88.9
Osaka Exch. new	45.3	5.4	5.0	45.2
Nippon Steel Tube	69.9	9.9	9.4	69.4
Nippon Oil	75.4	5.4	5.1	75.3
S. M. R.	74.0	4.0	4.0	....
N. Y. K. old	91.9	1.9	0.7	90.7
Hokkaido Coal	74.2	4.2	4.1	74.0
Kanebo Spin. old	126.9	7.0	6.0	126.0
Toyo Rayon. new	55.4	5.4	4.6	54.8
Kokura Iron Works.	55.2	5.2	4.8	54.8
Nippon Beer. new	44.3	4.3	4.0	44.0
Nippon Sugar, new	....	66.0	5.9	65.9
Ensuiko Sugar	62.6	2.9	2.6	62.6
Nippon Mining	62.2	2.2	1.6	61.8
Manchou Dev.	60.0	60.1	60.0	60.0

Capital Increase Decided

At its general shareholders' meeting held Wednesday, the Maruzen Oil Company decided to increase its capital from the present ¥29,840,000 to ¥60,000,000 to cope with the increasing sphere of activities under the wartime situation, it was revealed, says Domei.

REVISION DUE IN LAW OF FARM INSURANCE

Bill to Diet Aims at Wholesale Improvements on Existing Ruling

The farming industry of Nippon will be placed on a sounder and healthier economic foundation than heretofore by virtue of the revision to be carried out of the Agricultural Insurance Law as decided upon by the Agriculture and Forestry Ministry, says the Sangyo Keizai.

For the planned revision of the Agricultural Insurance Law, the Government has already submitted a bill to the Diet for its approval in the present session.

The present law of agricultural insurances was enacted in April, 1938 for enforcement beginning April, 1939. Poor crops in the succeeding years brought it to light that the law required immediate revisions in various respects, especially in the articles relating to the maximum amount to be insured for, the kinds of losses to be insured against, the parties that are to pay the premium, fair distribution of burden due to the payment of the premium, and other matters.

Merits of Revised Law

The bill submitted to the Diet by the Agriculture and Forestry Ministry aims at the wholesale removal of the defects from the law. Especially, the considerable increase of the maximum amount to be insured for and the transfer of the payment of premiums from the local agricultural bodies to the national treasury are regarded as the leading merits of the law after the expected revision.

It is noticeable also, that after the expected revision of the law, the Government authorities concerned, for most part the Agriculture and Forestry Ministry, will be authorized to order necessary measures to be taken by the cities, towns, and villages concerned to promote the welfare of the farmers under their jurisdiction. This, in other words, means that any city, town, or village on receipt of an order from the Agriculture and Forestry Ministry, must pay the premium for the farmers and peasants under its jurisdiction.

In connection with the bill in question, the Government has submitted another bill deciding on the sources of the premium.

Japan Creates New Era In Asiatic Continent

(Continued From Page 6)

by the United States to oust Japan from its rightfully acquired sphere of influence. Naturally, the Japanese-American relations began to be strained.

In the eyes of Japan, the founding of Manchoukuo came as the logical sequence to the Russo-Japanese War; but to America it meant "a flagrant violation" of the territorial right of China, and so Secretary of State Stimson issued his famous doctrine of non-recognition of Manchoukuo. Behind this Washington's policy of "upholding justice" was its burning ambition to become the policeman of the entire East Asia. Then followed the China Affair as a continuation of the Manchurian incident, and America's dollar appetite increased boundlessly. It began to obstruct systematically the restoration of Sino-Japanese harmony, finally taking the lead in the construction of a "democratic" military encirclement ring against Japan. Patiently bearing the provocation of President Roosevelt, the Japanese Government entered into diplomatic negotiations with the object of redeeming peace in the Pacific. The Roosevelt Government not only rejected the peace offer of Japan, but submitted such terms the acceptance of which would have jeopardized the self-existence of this nation. Appeasement-seeking Japan was literally driven to take up arms to settle the Pacific impasse once and for all.

This long chain of historical events points out the fact that the Pacific war has broken out as an inevitable outburst of Japan's deep-rooted resentment against America for interfering in its obvious acquired rights in Manchuria sanctioned by the Portsmouth Treaty. America wanted to replace Japan in East Asia to enrich itself at the cost of China. Had America at that early time restricting its hankering after dollar come to form a binding understanding with Japan, today the situation in the Pacific would have been brighter, prosperous, peaceful and there would have been no disturbance in the continent. But the United States pricked by its own selfishness began to sandbag the rise of Japan with such avidity that on December 8, 1941, it created a situation endangering the self-existence and sovereignty of this insular State. Thus it ignited the flame of the Pacific war, which has now entered into its second year.

The first year of the war has proved barren for the United States. Will the second year bring any good result to it? Japan is prepared for all eventualities. It has to fight for an ultimate victory to maintain its status as a Pacific Power. How can it pay any heed to the "democratic" sophistry? Like a Promethean unbound, it must shatter the tumultuous rock of Uncle Sam, a prolusion to which direction is well exposed in the result it has obtained in the one year of the Pacific war.

INCREASING CORPORATE INVESTMENTS OF STATE

With Private Enterprise Turning More and More Totalitarian, Role of 'Special Companies' Considered Played Out

Both during 1942 and in the present session of the Diet no chartered cooperation bills for the establishment of special companies have been introduced. This may indicate that the "special company" is a form of national policy enterprise already out of date under the War of Greater East Asia on account of the dual role assigned to it the prosecution of national policy and realization of profit, says the economic magazine Diamond in its recent issue.

The amount of state capital invested in a chartered corporation which is generally known as a "national policy company," is much smaller in comparison with that contributed to a "management foundation" or to a classified trade bank, and consequently the former is less imbued with the character of state management than the latter which depends on the State for the whole or most portion of their capital, explains the magazine.

"Special Nature" Defined

A chartered corporation is required to be run, on the one hand, with national interests as the first consideration, while on the other, it also requires to be managed for profit, because that portion of its capital which is contributed by the public insists on profit-making. It is for this reason that a special company is said to be a form of national policy enterprise already out of date.

The amounts invested in by the Government in these special companies have rapidly increased since the outbreak of the China Affair. According to the returns of inquiries conducted by the Board of Audit, against the ¥548,510,000 as at the end of March 1937, the total amount invested by the Government in such firms reached ¥1,117,326,202 at the end of March, 1941.

State Capital Increases

The special companies which have been established since April 1941 are the Toa Shipping Co., the Imperial Petroleum Co. and the Karafuto Development Co., and the state capital invested in the special companies including these three companies must have considerably increased by this time.

The character of state management in a chartered corporation is brought about by three factors—participation of state capital, participation by the Government in the appointment of directors and Government supervision over management.

The Government, through contribution of state capital and voice in the appointment of directors, aims at the prosecution of its national policy by means of the special companies and, at the same time, by granting special privileges and exercising controls of various description, endeavors to maintain the national policy character in the management of these companies. It sometimes happens, however, that as the Government recognizes the voice of private capital in the special companies in almost the same degree as its own, national policy and profit-making often run counter to each other in the actual management of the companies' business, which is quite natural.

In the days of laissez-faire economy, the system of special companies was probably the best form for enforcing national policy which man could conceive short of pure state-management.

Goes Totalitarian

The continuance of the China Affair for more than four years and the outbreak of the War of Greater East Asia have given rise to a sharp advance of wartime economy and all kinds of enterprises have undergone a radical change from individualistic management to totalitarian management.

When we survey the industrial world of our country we find that the more an enterprise wears the character of national management, the greater is the capital invested by the State, and thus, on the whole, the amount of state capital invested in various enterprises has been considerably augmented with a view to closer contact between management and capital.

When individual capital is collected by the Government through subscription to national loan and other means and when such fund is contributed to enterprises in the form of state capital, we may say that the enterprises are taking on the character of state-capitalism.

Chinese Cadets Join Garrison

C.P.S.

NANKING, January 18.—As a result of their interview with General Pao Wen-yueh, Minister of War, and Lieutenant-General Cheng Ta-chang, Vice-Minister of War, 20 Chinese graduates of the Japanese Military Academy, who returned to China recently to report for duty, will serve in the Second Garrison Division on probation.

To Permit Capital Increase

The Daiichi Bank will soon obtain permission from the Finance Ministry to increase its capital from the present ¥57,500,000 to ¥100,000,000, it is understood, says Domei. The proposed capital increase has been necessitated to place the Daiichi Bank on an equal footing with the Mitsui Bank with which it is to be merged in the near future as one of the phases of the wartime rationalization of the national banking system.

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TOKYO, FRIDAY, JANUARY 22, 1943

The Epochal Economic Agreement

Three diplomatic achievements of the utmost importance which were announced yesterday constitute a most overwhelming demonstration of the vigorous steps being taken by Japan and the Axis along all lines of endeavor to insure the victorious end of the war. These diplomatic achievements are the signing at Berlin of the Agreement between Japan and Germany concerning Economic Cooperation, the signing at Rome of the Agreement between Japan and Italy concerning Economic Cooperation, and the exchange of notes at Vichy concerning the method of settling accounts between Japan and French Indo-China. Coming so soon after the epochmaking formal entry of Nationalist China into the war, these developments presage a great stride forward in the constructive work of establishing a New Order throughout the world.

These agreements have deep significances both from the immediate point of view in relation to the present war and from the broader point of view in relation to the construction of a permanent New World Order. With respect to the first the economic agreements signed on January 20 between Japan and Germany and between Japan and Italy will serve to lay a sound foundation for the three nations to collaborate most closely and fully in the economic field for the successful termination of the present struggle against the Anglo-American Powers. With respect to the second, these agreements will serve as a model and a pattern for the better organization of world society which these three nations will contribute to mankind. These agreements in fact extend to the field of economics in a specific manner the close collaboration which the three signatory Powers have been manifesting right along in accordance with the spirit set forth in the Tripartite Pact.

An examination of the details of the new agreements will reveal that Japan, Germany, and Italy intend to accelerate the interchange of various products which are being produced in their respective economic spheres in East Asia and Europe. This interchange is to extend to mutual assistance in the fields of technique and industry as well as to the helping of each other in the matter of various products and natural resources. The agreements furthermore provide that in order to effect smooth and vigorous mutual collaboration, the three countries will closely cooperate financially, doing away with the arbitrary and domineering financial system formerly manipulated by the Anglo-Americans. Under the new system, all settlement of accounts will be done without resorting to the obsolete and cumbersome gold basis.

These agreements also stipulate that Japan, Germany, and Italy will mobilize all their economic power in their respective spheres in East Asia and Europe for the establishment of the New World Order. Thus it may be seen that these agreements differ very greatly from the ordinary kind of agreements hitherto concluded between two countries. The stipulation that the three Axis Powers will mobilize their total economic power, such as natural resources, techniques and industry, in their respective economic spheres, definitely signifies the external strengthening of the Axis camp in its decisive combat against the Anglo-American Powers. And internally, it means a concrete demonstration of progress in the work of construction in the East Asiatic and the European economic spheres. The consummation of this powerful economic collaboration between the three Axis Powers thus completely destroys the Anglo-American economic domination which has heretofore plagued the world.

In addition to their tremendous importance in augmenting the fighting strength of the Axis in the present war, these agreements possess a tremendous historical significance as well. Although there have heretofore been agreements for economic cooperation between countries, the new agreements announced yesterday constitute the first example in history of an arrangement for economic cooperation between regional blocs, between the Co-Prosperity Spheres of East Asia and Europe. Such an arrangement marks a gigantic forward step in the evolution of human society, a step immeasurably in advance of the international economic anarchy that prevailed under the non-cooperative and individualistic philosophy of Anglo-American capitalism. It is an epochal step toward the integration and harmonization of all mankind in an intelligent, planned pattern of life. As such, these agreements will undoubtedly serve as a model for other future agreements, a model for successive future steps which will lead ever closer to an economic millenium for the world.

The fact that these agreements are expected to serve as a model for other future agreements should be assurance enough that there is to be nothing exclusive or monopolistic in the arrangements entered into by Japan, Germany, and Italy. These arrangements in fact make it possible for countries which heretofore had been slighted and neglected to participate as worthy units in a system of world cooperation. In marked contrast to the old control of world economy by the Anglo-American plutocracy which sought merely the exploitation of others for its own aggrandizement, the New World Order envisages a world of opportunity and justice wherein all the peoples of the world will enjoy their proper places in accordance with the spirit of co-existence and co-prosperity. These agreements, made in consonance with the Tripartite Pact, are not only an assurance of the frustration of Anglo-American machinations which have so long blighted the world but constitute a welcome prelude to the New Order which is the future hope of the world.

As for the exchange of notes between Japan and France concerning the method of settling accounts between Japan and French Indo-China, the chief feature is the stipulation that the settlements will be made in Yen to conform to the new situation consequent on the outbreak of the War of Greater East Asia. This arrangement will no doubt notably supplement the Japanese-French Agreement concerning Customs, Tariff, Trade and Method of Payment between Japan and Indo-China, which was concluded on May 6, 1941.

The result of this latest arrangement with France will be to bring to consummation the negotiations which have been in progress concerning Indo-China. It may be remembered that the formation of the Yen bloc in this part of the world took a marked step forward in April of last year with the conclusion of the Yen-Baht Accord between Japan and Thailand. The latest agreement with France means that the formation of this Yen bloc has been completed, and its significance lies in the fact that it signifies the final destruction of the Anglo-American domination of finances in this part of the world. It thus completes the consolidation of the Greater East Asia Co-Prosperity Sphere in a real and tangible way. Premier Pierre Laval is to be respected for his comprehension of the situation which has come to prevail in East Asia and for his having taken the course which will redound most advantageously for France and for French Indo-China.

As must be clear from an analysis of these two agreements and the exchange of notes, these three diplomatic instruments constitute a powerful economic offensive against the United States and Britain. While the United States is loudly talking of an offensive against the Axis this year, it is significant that it is Japan and the Axis which have launched a real offensive, on the economic front as well as on the military front. And while the United States and Britain theorize about their plans for a post-war world under their fantastic Atlantic Charter, it is Japan and the Axis which has formulated a concrete arrangement which will serve as a model for the practicable economic re-ordering of the world.

A Year Ago Today

Jan. 22, 1942

From Our Own Files

According to a communique issued by the Imperial Headquarters yesterday the Imperial Army Forces carried out a night attack on January 17 and crushed the enemy numbering about 600, who were holding a position in the vicinity of Kaumay Dun, 28 kilometers northeast of Tavoy. At dawn on January 19, the Japanese Forces attacked the enemy fortifications near Tavoy and at 7:30 the same evening completed the occupation of the port. Tavoy is a Burmese town on the Bay of Bengal.

• • •

The Imperial Headquarters announced on January 21 that a strong formation of Imperial Army bombers and fighters carried out a large-scale attack on Singapore on January 20. Heavy bombers flying in formation, heavily bombed establishments in the military and political center of Singapore. All the explosives hit their marks. The light bombers in the group attacked an airplane assembly plant and caused fires at seven places.

BURMA ROAD LOSS DRIVES CHIANG TO EXPAND NORTHWESTERN CHINA

Project of Chungking Regime to Construct New Road Presents Dismal Outlook

By SHIGETOSHI MORIZAWA

(From the Gaiko Jiho)

The occurrence of the War of Greater East Asia has affected the attitude of resistance on the part of the Chungking regime toward Japan, the foreign influences supporting that regime are so hard pressed by the weight of the War of Greater East Asia that their promises of aid for Chungking stand no chance of being realized, to no small vexation of the Chungking authorities. Like the proverbial drowning man, the Chungking regime is making desperate efforts to cling to the Northwest for the supply of war materials to meet the situation arising out of the cutting of the Burma route.

The efficient blockade of the Chinese coast by the Japanese Forces has driven inland industries in the littoral districts, and the stoppage of the importation of American and British materials by sea routes has made it imperative for the Chungking authorities to do everything possible to secure self-sufficiency in military and civilian supplies. Since the Chekiang-Kiangsi route, the sole route of supply available for Chungking, was eliminated through defeat in the summer of last year, the need of self-sufficiency has become particularly urgent for the Chungking regime.

The loss of all hope for obtaining foreign aid is compelling Chungking to have recourse to the work of developing northwestern China. Japan's success in disrupting the Burma route was, indeed, a death sentence passed on Chungking. It was fatal nonetheless because Chungking is still continuing resistance. In all probability, all that Chiang Kai-shek is able to do in the existing circumstances is to resort to despicable guerilla warfare, with ruin staring him in the face.

Three Year Plan

It appears that before fixing upon the plan to develop northwestern China, Chiang Kai-shek considered the advisability of developing the southwestern districts. On investigation, he evidently found that it was well-nigh impossible to produce materials in Szechuan, Yunnan and Kweichow enough to fill the shortage caused by the suspension of the supplies from America and Britain. Although it is difficult to make any definite statement for lack of reliable data, it may be inferred from the statements made by the Minister of Economics and other leaders of Chungking that the transfer inland of coastal industries was undertaken on the so-called three-year plan, and that the plan was practically completed only recently.

The factories transferred under this plan totalled 425, while the new factories established up to June of the 31st year of the Republic of China are put roughly at 1,000. It is also computed that 1,400 odd factories have become distributed in the regions under the jurisdiction of the Chungking regime. These are chiefly heavy industries, metallurgical, machinery and mining. The amount of coal produced in Szechuan Province only in the 30th year of the Republic of China amounted to 3,250,000 tons, so that it is said that the Chungking regime can manage to supply its own demand for coal totalling 5,000,000 tons a year. It is also said that the annual output of iron, which is put at 250,000 tons, is enough to meet the military demand for the metal, a fact which shows that Chungking's military demand is very small.

Self-Sufficiency Impossible

So far as civilian demand for iron is concerned, it was formerly met by supplies obtained over the Burma route, and the loss of this source of supply has naturally forced up the prices of ironware for daily use to such an extent that they are said to be 90 times as high as the pre-Affair prices. Anyhow, the Chungking authorities are making desperate efforts to provide war materials in sufficient quantities, but it is considered well-nigh impossible for Chungking to achieve self-sufficiency in a year or two in the hinterland where there formerly existed practically no heavy industry.

It is unknown how far Chungking's work of developing northwestern China has progressed, and, indeed, both optimistic and pessimistic views seem to be held regarding the scheme itself. Expert opinion within the Chungking Administration does not apparently pin high hopes on it, but Chiang Kai-shek seems to attach great importance to it for various reasons.

The resources in the northwestern regions consist mainly of oil, coal and wool, and it appears that special attention is being directed to the production of oil and coal, which are required in large quantities at the present time. However, due to the shortage of the supply of technical skill and machinery in regard to the production of oil and owing to the shortage of labor in respect of coal, much difficulty evidently attends the plan to produce in a short time enough to meet the increasing demand. The provinces of Kansu, Shensi, Sinkiang and Tsinghai are sparsely populated. Nor are they regarded as possessing rich natural resources. In the desperate position in which it is now placed, however, the Chungking Administration is obliged to look to these provinces for the supply of the necessary materials.

Not Promising Route

As a route of foreign supplies for Chungking, the northwestern route does not seem to give much promise. When the Road Construction Commission met in Chungking in October, 1942, the views of Vesgar, an adviser to the Engineering Department of the Indian Government, who was present by special request, were sought regarding the possibility of building a route of supply between India and China as well as the prospects of the work of developing the resources of northwestern regions. This fact seems to point to the attitude of vacillation still adopted by the Chungking regime toward the question of building an international trunk route—whether it should be built across the southwestern or the northwestern part. The China-India route under contemplation goes from Chungking to Calcutta via Kangting, Lhasa, Bhutan and Darjeeling. The construction of this route, though admittedly attended with considerable difficulties, may not be technically impossible, but its transportation value is regarded as very questionable.

Chungking stands in dire need of the supply of war materials for the maintenance of its army divisions of troops, and next comes, in the order of importance, the need of safeguarding the supply of food. Or rather the question of the food supply may be the more urgent of the two. The drought, floods and storms which were experienced in 1942 in Shensi, Kansu, part of Honan and South China generally caused very extensive damage, and there was a disastrous decline in the yield of agricultural crops. In Kunming and other places, which have no means of importing food from other provinces, there has already been a sharp rise in the prices of foodstuffs. Rice of the best quality is quoted at 900 yuan per koku and the rising tendency shows no sign of abating. Because of the fact that all men from 18 to 45 years are pressed into military service, active or reserve, there there is a shortage of labor every where, and Chungking's order for the increased production of rice is perforce reduced to a virtual dead letter.

Small Scale Industries

A number of heavy industries have been moved to Yunnan province, but thanks to the soaring prices of commodities, these factories are finding it difficult to carry on. The industry in Kwangtung and Yunnan provinces is mostly on a small scale; it falls under the category of handicraft. There are many factories in Kunming and its vicinity, but they are being operated with very small capital. They are mostly capitalized at from 2,000 to 4,000 yuan. Very few factories have a capital of over 10,000 yuan.

What is worthy of note in connection with the industrial policy of the Chungking regime is the present state of commodities for export which formerly supplied the means by which to acquire foreign currencies. With the progress of the War of Greater East Asia, the way was blocked for their exportation, and it became necessary for Chungking to dispose of raw silk, tungsten, tea, wool and other staple goods for export in a way different from formerly. Tungsten was in much demand in America and Britain, but it can no longer be exported to these countries. Raw silk will have to be consumed at home. The inactivity of the export trade is a phenomenon common to all belligerent countries, but Chungking is suffering from it particularly severely.

As regards the food problem, Chungking was hard up at the end of 1940, but the situation was later somewhat relieved. The severe drought, floods and storms which were experienced over wide areas last year are again causing much apprehension regarding the food situation. In the southwestern and northwestern districts, there are but slender prospects for the increased production of rice, though the production of other sundry cereals shows better prospects.

Finances Bad

Chungking's finance are at sixes and sevens. Since the fall of one littoral province after another into Japanese hands, the sources of revenue have become dried up. Nor is Chungking in a position to increase taxes. As the only alternative, recourse has been had to the flotation of public bonds, but there are limits to bond issues. In fact, the loan issued by the Chungking regime has reached the saturation point. On the other hand, the loss of foreign credit renders the flotation of foreign loans impossible. To make the situation worse, the promiscuous issue of currency has brought about inflation of a vicious nature, adding to the difficulty of living among the masses.

The exact figure of Chungking's war expenditure is not available, but it is said to amount to 100 times the amount required in times of peace. This stupendous expenditure cannot be met adequately by the disastrously dwindled tax revenues, of course, and consequently Chungking appears to have been compelled to resort to the device of increasing the land tax. Judging from past experience, however, it appears unlikely that the Chungking regime will be able to avert a financial crisis by this means.

To return to the subject of Chungking's work of developing northwestern China, the main object which Chungking has in view is probably to safeguard the northwestern route of supply rather than to develop the resources there. There are two routes of aid for Chungking from the northwest—one by air and the other by road. Acting in collaboration with America, Chungking is now building aerodromes along the northwestern route, constructing a motorcar road at the same time between Alma-Ata in Soviet Turkestan and the Northwestern region.

Political Objective

In any case, Chungking's work in the Northwest has an important political end in view. It may be intended, for one thing, to increase Chungking's power of resistance, or it may aim at the restriction of the activity of the Communist Army. Or it may be designed to secure for Chungking the positive support of the military leaders in the Northwest. The most powerful underlying motive is presumably to stifle the activity of the Communist Army.

Chungking's work of developing northwestern China is thus of great political significance.

There is evidently ground for the rumor of the projected extension of the Lang-Hai railway to Lanchow. Besides, the work is going on in many places of Kansu and Shensi province for the construction of high roads. In order to make up the shortage of labor for these engineering works, there is compulsory recruiting of young girls, regarding which exaggerated reports are in circulation.

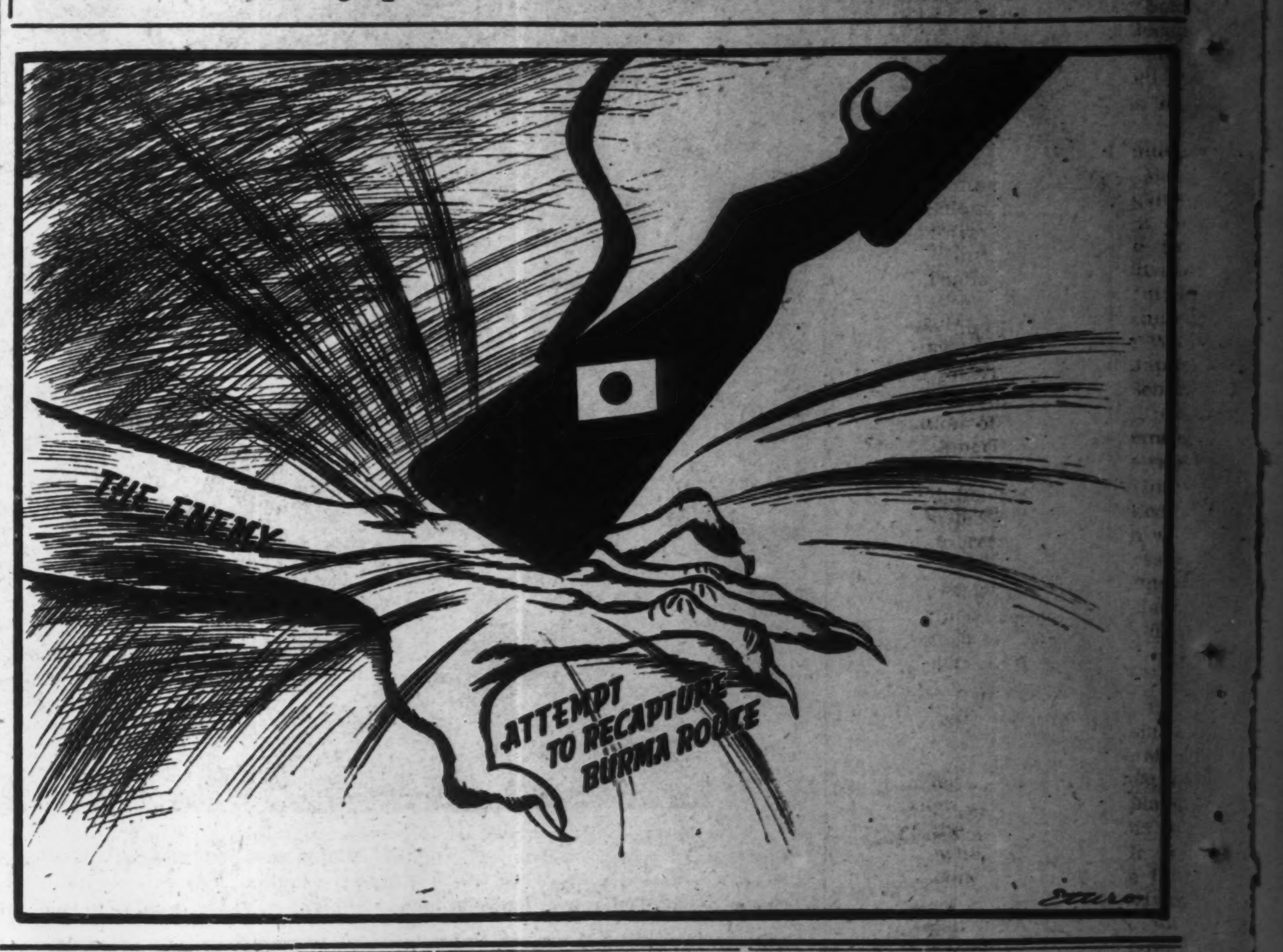
In short, Chungking's work of developing northwestern China is not simply for the purpose of ensuring the importation of materials for the maintenance of resistance or for the attainment of self-sufficiency through the development of the resources in the outlying provinces. It is also designed to prolong the political life of Chiang Kai-shek.

In the Periodicals

The Shukan Asahi, Vol. 43, No. 3 dated January 24, 1943 (in Japanese). Publishers, the Asahi Shimbun-sha, Osaka. Price 15 sen. Feature articles: Meaning of the Participation in War by the National Government of China, Tale of 60-Year Activities of the Bunraku Puppet Show, Training of Spirit of Farmers, People of Turkey, and Mount Yoshino.

Domei Jumpo, Vol. 6, No. 35 dated January 10, 1943 (in Japanese). Publishers, the Domei Tsushin-sha. Tokyo. The magazine contains the principal news items all over the world in a summaried way, covering the period from December 21-31, 1942.

Japan Is Too Powerful


THE ENEMY
ATTEMPT TO RECAPTURE BURMA ROUTE

NEW ERA OF ASIATIC HARMONY CREATED BY JAPAN IN ONE YEAR

Empire's Brilliant Accomplishments Completely Upset Washington's Carefully Prepared Calculations

By YUSAI TAKAHASHI

(From the Contemporary Japan)

Yusai Takahashi is vice-president and chief editor of the Yomiuri-Hohchi (formerly the Yomiuri Shimbun). Among his works are: Eikoku Keisatsu Seido (The Police System in Britain), Nippon Keisatsu-ho (The Police Law of Japan), etc.

Only a year ago, owing to the sabre-rattling of the ABCD nations, an eventful shooting drama commenced in the Pacific, and Japan was compelled against its wishes to undertake the task of eliminating the Anglo-American influences from Greater East Asia, as a just attempt to secure its self-existence and liberate the southern nations from alien bondages. President Roosevelt kindled this unwanted tragedy of blood and fire, firmly adhering to his irrational "stop Japan" policy. Back of his pelagian reasoning was the ambition to "bring Japan to its knees." Today, Japan has not only proved the firmness of its "kneeholds," but also has succeeded in its attempt to open a new era of Asiatic harmony. During one year of the Pacific war, President Roosevelt's ambitious tune has lost its previous jazz swing.

In looking back upon the past twelve months, one is surprised to observe the phenomenal changes that have taken place in the entire region of Greater East Asia. As revealed in the Roberts Report, America had greatly underrated Japan's striking power and, indulging in self-complacency and wishful thinking, had believed that it would be comparatively easy to make this country kowtow before its streamlined show of military preparedness. It had hoped to dominate the Pacific taking the cue from the blueprint left by Secretary of State Seward and later redrawn by Secretary of State Hay. The brilliant accomplishments which Japan has attained in one year of the war have so upset the carefully prepared calculations of Washington that it is readily acknowledging the soundness of the steel-plated war structure of the "enfant terrible of the Pacific."

The second year of the war is now on. Disappointed America, while bolstering the fabric of its so-called "war of survival," is trumpeting the slogan of "fear Japan," forsaking its earlier epithet of "poor Japan," for its bagful of might has been destroyed by the handful of valor of this country. The Pearl Harbor debacle, the loss of Wake and Guam Islands, the retreat from the Philippines, the conceding of positions in the Aleutians and the serious naval losses in the southern oceanic area have shattered its dream of making the Pacific its own lake. In contrast, Japan has organized its safety in such a stable manner that the Pacific is gradually assuming the character of an Oriental ocean. The sad plight of disillusioned America is the handiwork of President Roosevelt. Ignorance has returned its own verdict.

Enemy Loses Possessions

Britain has been compelled to hand over all its colonial possessions in Greater East Asia to Japan. Compared to the United States, although it has suffered enormous territorial losses, it has been able to maintain a smaller figure than the former in naval destruction. This is due to its reliance on the American Navy for engagements against Japanese warships. Hongkong, long known as the "British nest" in the Far East, Malaya with its naval bastion of Singapore and Burma, the backdoor to Chungking, have all fallen into the hands of Japan.

The East Indies is no longer a colony of the Netherlands. Australia has become the "orphan of the Pacific" and is taking orders from Washington. India, where Britain is still entrenched, is showing no sign of collaboration with the "democratic" nations. The war has now shifted to the southern Pacific, and America's endeavors to stage offensives against Japan in that sector through Australia are meeting with dismal failures. The Solomon waters have become the graveyard of American warcraft. Meanwhile, French Indo-China and Thailand are marching along with Japan to carve their proper places in the new order of things in Greater East Asia.

According to Williams Winter, the southern Pacific holds the key to the termination of the war between Japan and America, which nation is vitalizing the defense capacity of Australia, militarily dubbed "the forty-ninth state" of the star spangled domain, to retain its supremacy in that sector; yet it is finding difficulty to dominate the strategical triangle formed by the Solomons group which is linked to Hawaii, 2,700 kilometers away, via the Gilbert and Johnston Islands in the northeast, and Australia, 1,700 kilometers away, via the Santa Cruz, Fiji and New Zealand in the southwest. The termination of the Solomon campaign will not only decide the fate of the battle of the southern Pacific which is scheduled to take place sooner of later, but also of Australia.

When Japan obtained a much-needed zone of existence in Manchuria after gaining victory against the Czarist soldiery in 1904-5, it became evident that a struggle for supremacy in the Pacific would develop between it and the United States. It must be borne in mind that during the Russo-Japanese War the latter sympathized with Japan to such an extent that Jacob Schiff, well-known American banker, proposed to underwrite all Japanese loans to be floated abroad for raising the funds needed for war purposes. His generous offer evoked a stern protest from Britain which was then Japan's ally, with the result that an Anglo-American agreement was reached to underwrite all Japanese external loans on a fifty-fifty basis.

America Interferes

The United States at that time viewed Japan's war with Russia as its own, for it had selected Manchuria as the Far Eastern seat of its dollar imperialism. It applauded Japan like a comrade-in-arms for its bold stand against the Czar Nicolai. But it did not visualize that Japan after the war would regard Manchuria as its lifeline. It formulated various measures to spike the ascendancy of Japan in that distant corner of China. American railway magnate Harriman proposed to construct an international railway by incorporating the South Manchuria Railway, American Secretary of State Knox devised a plan for the neutralization of the South Manchuria Railway and a four-Power consortium was organized to grant loans to China, excluding Japan and Russia from exercising such facilities. All these intrusive capitalistic schemes were framed

(Continued on Page 8)